THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

June 5, 1948

ANTI-US DEMONSTRATION

AN EDITORIAL

England, China And Tibet

Shenchi Liu

Limit Jap Industry

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Currency Reform Speculation

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AN EDITORIAL

VOLUME 110 PRICE CNC$100,000 NUMBER 1

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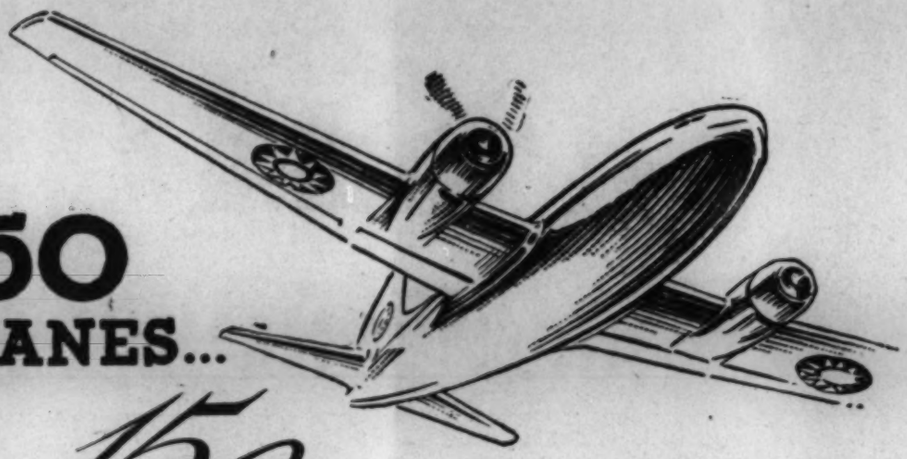

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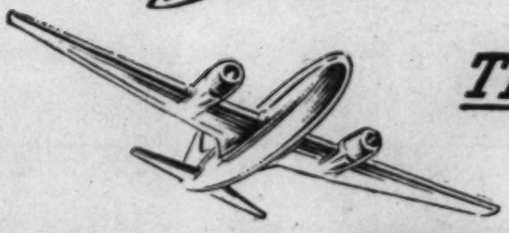

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Soldier And General

To The Editor:

I have just finished reading the inspirational "Stilwell Reports" from the *Ladies' Home Journal*, April 1948, which certainly made me understand thoroughly the Sino-American relations during World War II via Stilwell's command of the CBI Theater and which certainly proved abundantly the greatness of Stilwell as a man, as a soldier and as a general devoted to the highest interests of China, America and world peace in general. But human stupidity is abominable and I am driven to the following conclusions: namely, that stupidity alone is the crime punishable by death, that a man with the fate of a country in his hand has no right to be wrong and that "a burned child should dread the fire."

It is most gratifying that "although the age of giants is gone," "one swallow did make a summer" in the Allied CBI campaign. Millions upon millions of right-minded people would have cried like Madame Sun Yat-sen when Stilwell went to say goodbye to her if they just knew. I honestly wish that the Stilwell book, shortly to be published by the William Sloane Association, would be internationally read and digested for the eternal good of mankind.

CHINESE JOHN THE BAPTIST.

Chengtu,
May 24, 1948.

Countrymen, Beware!

To The Editor:

The U.S. policy toward Japan has changed greatly. The delay in punishing Japanese war criminals, the present Japanese reparations policy, the reconstruction of Japanese industries and the expansion of the Japanese police powers, all the US actions, in fact, violate the Potsdam proclamation of the four powers. They obviously encourage Japanese warlord and Fascist hopes of revival. The Japanese government is taking advantage of the prejudice between the US and Russia to strengthen itself day by day. In only five years Japan may once again become a great and threatening power in Asia.

In China, however, the civil war continues. We are in a state of chaos. Most plans for national recovery cannot be carried out. Corruption is prevalent. The inflation grows day by day while the people find it ever more difficult to procure a livelihood. National construction has come to a standstill and most foreign relief, including industrial materials, has been cast upon the ground. Our country is in a weakened state.

Countrymen! We must beware of Japanese imperialists' revival. In memory of those who made the supreme sacrifice in the Sino-Japanese War, every Chinese, regardless of party, race, or employment must awaken to the need for bringing our cruel Civil War to an immediate end, for building a strong, industrial China. Do not permit repetitions of the Mukden incident of 1931 or the Marco Polo Bridge incident of 1937! We must cease sleeping while the danger grows!

Y. Y. JAMES.

Foochow, Fukien,
May 15, 1948.

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Shrew's Foot

To The Editor:

The National Assembly, I think, is like an old-fashioned Chinese shrew's foot that has been wrapped for a long time and just released to put on a pair of shoes of up-to-date style. It is, of course, impossible for her to become more beautiful by the addition of this ornament.

Britain, America and France, the patterns of a democratic state, have no such assembly as this. There is no reason why China should exhaust a large amount of money in the midst of this financial crisis to open an assembly which is of no importance for either bandit-suppression or reconstruction. The money, instead of being consumed by the so-called delegates, should have been used to rescue the suffering.

Let me return to the afore-mentioned shrew. There is no way to outstrip the quick flowing of time. Better to liberate a young and beautiful girl who possesses the heart of a pioneer and who can naturally assume the ornament of a pair of shoes of up-to-date style.

CHON CHAI LIU.

Hankow,
May 17, 1948.

Open Letter

To The Editor:

I hope you will be kind enough to publish the following letter.

Dear President Chiang:

Through my old friend *The China Weekly Review* I am writing to you personally. I wish to have it published because many other *Review* readers may share the same view and should it be mailed to you direct, it might be thrown into the ocean and remain forever unknown even to yourself.

Please accept my belated congratulations on your being unanimously elected the first President of the Chinese Republic. The destiny of the nation and its people rests with one man who is no other than you. I am sorry that we should have had no choice. Hence your responsibility is heavier.

I remember reading about when Abraham Lincoln was elected the 16th president of the USA. When his friends came to inform him of his success, Lincoln silently went to a map of America that hung on the wall of his room and knelt down and prayed. As you must well be aware of the situation of America at Lincoln's time, I need not tell you what he was praying about....

As the first president, I think you will do well to take the following questions into special and serious consideration:

1. How to achieve internal and international peace and security. Since it is the firm policy of the Government to bring the Communists to their knees, it is entirely out of the question to talk about peace with them again. While the Communists remain, there does not seem to be any peace within and without the nation. But I should like to ask what on earth is the reason that we can't live together with the Communists? Are they not people like us? I know of many people who were good students, military men, writers, etc. some time ago among us who are now said to be Communists. Why must they be Communists? I hear the papers say the Communists will sooner or later be exterminated. Why do they not fear being killed? I regret to say that there does not seem to be any decrease in the number of them.

I do not mean that your policy of Communist-suppression is entirely wrong. I have no policy in mind. My point is that if we can live together and work together with the Communists, or that if the old die-hard Communists can be

exterminated quickly without adding more new ones, many precious lives will be saved and peace will prevail.

2. How to make the people love the Government. It seems to me that our Government consists of a class of people of power and privilege while the people are a mass of unfortunate men and women being driven here and there by starvation, war and persecution. It would be dangerous if this situation continues to prevail. When I start to read a paper, I have to throw it away in disappointment. It is too monotonous, too dull. Why not give the papers more freedom of speech? I do not think they would invent or publish rumors. Moreover, rumors can't be eradicated merely by controlling the press in times of nation-wide confusion. If the Government is built upon rocks instead of upon sand, rumors can do nothing. As for us people, we find we can't speak when we are not satisfied with the government. Let us criticize, dear President. The more people like to criticize their government, the more they love it. We have always been said to have this kind of freedom, but we still find that the authorities shut our mouth and ask us to speak freely. Give us good government, Mr. President, and we will love and support it with all our hearts.

3. How to establish a good personnel system. Now that you have become President, I hope you will try your utmost to let all able and public-spirited men do something for the Republic. The incompetent ones should go. In saying this, I am reminded of the recent vice-presidential election scandal. In the past, the Government used to lay every blame at the Communists' door. If anyone expressed the slightest dissatisfaction with the Government, he was branded a Communist. Well, it's not justifiable to suppose that the Communists instigated anything in the vice-presidential campaign. How is it that it should have been so bad?

4. How to institute a good educational system. There are many children still unable to go to school. Middle school students are taught so many subjects that after their graduation they find they have learned practically nothing. College students have too many extra-curricular activities to have time left for serious study. After their graduation, many find themselves disappointed, jobless and penniless with a troubled nation in front of them. I hope, dear President, that you will take drastic measures to institute a good system of education.

Wishing you ever success in your honorable position,

Yours respectfully,
P. Y. W.

Wucheng, Hupeh,
May 23, 1948.

49 Versus 5

To The Editor:

Let me speak frankly about an incident in our school.

On April 20, some schoolmates posted a wall-paper on our wall saying: "We should have some meat and wine to celebrate such a holiday. For 30 years, we were dependent upon President Chiang to teach and feed us. All the same our living went from bad to worse, yet we are alive still. What a good day today is. We think that our President Chiang will do something for us...."

Some of our schoolmates thought the paper insulted President Chiang and said they would beat the men who had written it. About 1:00 p.m., some 100 students surrounded the room where the author lived and burst into it, crying "Beat those who insulted our President." Many students were beaten and one was wounded.

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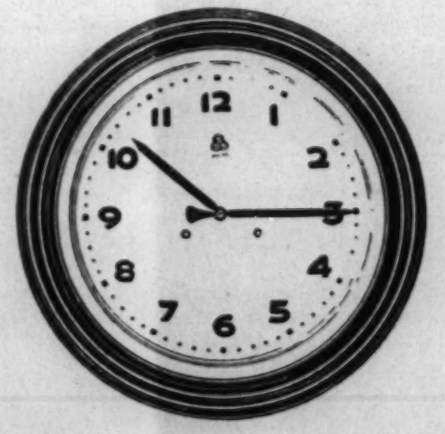

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Then the so-called CP members asked the school authorities to punish the guilty ones and protect freedom of thought and person. But, on the contrary, the student association was disbanded and the wounded schoolmate dismissed.

After the student association was disbanded, we brought forth a new club, named the United Associates of the Departments of Students. Among 54 departments in our school, 49 departments joined in this new fellowship. From that number, 49 versus 5, we can know who is right and who is not. I, myself, stand neither on the left nor the right, but I think the number 49-5 is the turning point of justice.

Y. S. MEN.

Nanchang, Kiangsu,
May 11, 1948.

Unconstitutional Arrest

To The Editor:

During the great occasion of the inauguration day of the President and Vice-President of the Chinese Republic on May 20, we are disappointed that China has not yet found its way to constitutional government.

The following tragic instance will prove this to be true. Yesterday afternoon (May 20), four persons, consisting of a justice, a court clerk and two judicial police of the local court of Wuchang, came into our university with Mr. Chiang Pei Chih, first year student in our industrial-commercial administrative department, who had disappeared May 17. Before the authorities and hundreds of school mates, Mr. Chiang told the story of these four days.

On Monday (May 17) when he was taking his mid-term examination, Mr. Chiang was told that two of his fellow provincials had come to visit him with a letter from home. He left the classroom to see them and found two plain-clothes judicial police, who pointed pistols at him and ordered him to go with them.

After his arrest, he was informed by the local court of Wuchang that his brother had been charged with corruption. This was the only reason for his arrest! Furthermore, he had been kept in jail for more than three days without trial, and he was taken to our school for further search of his abode.

Now a committee to protest the unconstitutional arrest of Chiang Pei-chih has been organized in our university. We know very well in the present circumstances in China, might is over right. On this first glorious inauguration day under the constitution we do not like to write these words in black and white to spoil this new page of history.

Dear Mr. Editor, we should like to appeal, however, to you in your justice-upholding *Review* as well as your readers in order that we may win their sympathy and support in struggling for our human rights.

K. C. H.

Wuchang,
May 21, 1948.

What Happens

To The Editor:

A short time ago a disgraceful fight occurred at Chung Cheng University. Just after the news of President Chiang's election, about 100 Youth Corps students surrounded our bedrooms to celebrate. The next day, there appeared on the wall a proclamation making fun of the celebration and written by a student who signed his name. It did not affect us in any way but laughter, but it gave the Youth Corps students a blow.

On that very afternoon, they ran to the writer's bedroom and said that he had humiliated President Chiang. When he tried to explain that the act was innocent, they beat him, and when the chairman of our self-governing society appeared as a peace-maker, they beat him too.

As these "professional students" act like dogs and give us the "red hat" freely, we can only rage in silence. I report this shameful action to let my countrymen know what happens nowadays in a university.

JAY CHANG.

Nanchang, Kiangsi,
May 15, 1948.

Hunan Certificates

To The Editor:

Recently the government of Hunan passed a new order requiring examination of citizenship certificates in order to prevent activities of illegal persons and Communists. Anyone found without a certificate or whose conduct is doubtful or identity unknown is to be taken for questioning. Of course, this is a good way to get at the source of turmoil in a society. But, unfortunately, this order only yielded an opportunity for the bureaucrats of my native district, Hsington, to exact money.

The so-called siang cheng (local authorities) made a house to house inspection. As a matter of fact, the local office had been slow in giving out certificates, so the majority of the people didn't have them. But regardless of the reason, the inspector demanded a fine of $300,000 or $600,000. This is a great sum for the poor peasants under heavy taxation and constant conscription. Many honest and innocent people have been taken into custody and are still being detained. This is the season for farmers to prepare the ground for planting, but they have been arrested and their land is going to waste. An old woman begging food was compelled to drown in a pond. A postman was beaten on the face. Are they illegal persons? Are their identities unknown?

This is a place where illegal persons may live actively and freely if they offer money to the inspector. It is also a place where the lao pai hsing without money may be taken into custody. Is this in keeping with the new Constitution? Is this necessary to the work of Communist-suppression?

K. C. HWANG.

Hsington, Hunan,
May 23, 1948.

Keep Pigs

To The Editor:

The teachers in the provincial middle schools in Lanchow have not been paid enough since last winter. Delegates have been sent to visit the Governor, who said: "The Provincial Government has no money to spare. The Central Government does not give me enough money. You must be patient, or you had better manage to earn your living out of class."

How a middle school teacher without a single cent earns his living out of class we do not know, but it is quite funny that the Government is in debt to each of us $10,000,000. (This is quite useless now. Several days ago, the price of wheat was $2,000,000 one tou but now it is $6,500,000 one tou.) We hardly know whether to laugh or cry that poor teachers should be creditors to the Government.

The other day the governor suggested that teachers use their spare time and money to keep cocks, hens, pigs or even a field of vegetables so that their living problems can be settled without difficulty. What a poetic suggestion this is! But where is the place for doing

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so, I wonder. Now our beloved governor, Gen. J. C. Kuo, and his adherents have a new plan for erecting some standard middle schools for Kansu. Let's tighten our belts and appreciate these new castles in the air.

DAVID YU

Lanchow, Kansu
May 17, 1948.

April 9th Incident

To The Editor:

A month ago the whole city of Chengtu was terribly shaken by the so-called April 9th incident. It was the day when Wang Ling Gee, formerly the governor of Kiangsi Province, and newly-appointed governor of Szechuen, took office, and also a day of bloodshed for students of three universities—National Szechuen, Cheng-hwa, and West China Union.

Because of the rising cost of living, the university students of Chengtu had united to petition the Provincial Government for the privilege of buying "ping-jah-mee" rice of special low price formulated by order of the Government. On the day Governor Wang assumed his post, the students held a demonstration for this purpose. Unfortunately, they were treated as "red radicals" rather than students and cruelly beaten and dispersed by armed police just outside the gate of the Szechuen Provincial Government. More than 100 students were arrested and scores wounded.

We, a part of the faculty of National Szechuen University, made a four-point protest, namely: First, human rights must not be overlooked by the government. Second, the students' petition for the "ping-jah-mee" is one thing and red activity is another. The two must not be confused and all arrested students must be released at once. Third, we regret that the government made such a mistake. Finally, the government must be responsible for all medical expenses of the wounded students.

As a result of the incident, the feelings of all students in Chengtu were badly stirred up and they struck for seven days. Even though everything seems all right now, there is a bomb buried in everyone's heart. As faculty members of a university, we are ashamed that we could not stand together firmly and have strength enough to smash an unlawful act like this.

SAMUEL HO.

Chengtu, Szechuen
May 9, 1948.

Student Grievance

To The Editor:

All the junior classes of the College of Engineering and College of Science are on strike. These are the facts:

According to Ministry of Education regulations, junior students in these colleges may study in the laboratories during the summer at public expense. Hence, all juniors in these two colleges asked the authorities (1) to pay them "practical funds" equal to the amount of three month's public funds ($260,000); (2) to pay one month's public fund for traveling expenses; and (3) to pay funds for July, August and September in advance.

They received the following answer:

(1) It is impossible to pay such a large amount beforehand, as the school does not have the money. The only way is to advance a sum of about $10,000,000 that was originally marked for the expenses of the Engineer Training Department, which would average about $50,000 per person.

(2) The school has asked permission from the Ministry of Education to pay practical funds of about $250,000 for each person.

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—SOCRATES.

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(3) The third request would be decided upon as soon as an answer is received from the Ministry of Education.

This answer gave nothing but $50,000. The students declared that the government should not deprive them of experimental training and said, "no practice, no engineers; no experiments, no scientists." They went on strike May 14 and it is still continuing.

It is possible that this incident may be enlarged, due to two factors:

(1) Students in Peiping, Nanking, Chengtu, Kiangsi, etc., have also petitioned the Ministry of Education and have already won some points which may be inspiring to our schoolmates.

(2) At the beginning of the term we petitioned our authorities to build a good swimming pool. We were told it was impossible because of the shortage of school finances. We, ourselves, then collected money in different ways, and did most of the work. But the school authorities ordered us to postpone our work and hand over the money to them to plan another swimming pool. But when will the work begin? Will the work to be done by the authorities be more complete than that planned by us? We do not trust it at all.

An answer from the Ministry of Education has been received in the meantime saying that permission to use school laboratories might be abolished if it is impossible to accept students in these places and declaring that the chief of the students' demonstration must be punished.

The main reason given in the Ministry's answer is that our nation is now suffering from want of finances. It is a burdensome duty to the government to pay such a large amount for students' practices and experiments. Why is the shortage of money in education and not in the civil war? Any one of us knows that without experiment students cannot learn engineering or science.

WU SIN-T'AO.

Canton,
May 20, 1948.

Special Service Men

To The Editor:

On the 14th of this month, there occurred in Kongmoon, chief town in Sinhui, a sensational raid on a big native bank, resulting in the arrest of 16 merchants who were charged with illegal transactions in foreign currencies. The arrest was carried out by a secret service corps of a certain military headquarters without any previous notice to the Hsien government.

When the arrested were held in custody for over 24 hours without trial, public criticism and indignation was aroused. On the 16th, the magistrate issued a decree to the chief of the Kongmoon police station to have the arrested brought to court for trial. The secret service men, however, refused to submit the case to the court under the lame pretext that they were awaiting instructions from their superior officers, and they threatened to rush gendarme assistance from a nearby town, Pakkai. Not until an appeal was made to the director of the Provincial Peace Preservation police headquarters were the victimized merchants surrendered to the law-court.

The inside story has it that the merchants were detained because the corps was holding them for ransom, allegedly HK$5,000 per head. Whether this is true or not does not interest me very much. What strikes me most is that special service corps should have the audacity to take up cases that should properly be handled by judicial organs.

It is bitterly deplorable that although the new Constitution, meant to safeguard the citizens' rights and freedoms, has gone into effect, such illegal conduct is still prevalent. As pointed out by a member of the Provincial People's Council in a recent meeting, "....The Government should give serious attention to the fact that there have occurred recently in the Pearl River Delta district, particularly in Chungshan, numerous cases wherein special service corps units under various military headquarters do all manner of dirty jobs, bullying, blackmail, extortion, and so

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on to feather their own nests, to the acute annoyance of the people....."

The Kongmoon case is merely a more notable instance of illegal deeds committed by special service men. I wonder how many others there are that have failed to come to the fore where the grievances of the victims have never been redressed.

H. C.

Sinhui, Kwangtung
May 28, 1948.

Red Fear Hysteria?

To The Editor:

The people of this little town have been in constant fear of attacks by the so-called "Native Eighth Route Guerrillas" since the latter seized most of the village offices and smashed bands of self-defense militia without resistance.

The other night around midnight the sound of a rifle was heard, and for two hours the noise of rifles, tommy-guns, machine guns and grenades nearly deafened our ears. We could only lie flat on the floor and wait for the coming evil.

Then the sky grew red with fire and clouds of smoke rolled up. All the people were frightened as there was no fire extinguisher in the city. Our fear was not dispelled until a man called for volunteers to extinguish the fire and the sounds had ceased.

Strange to say, the next morning all was quiet except for the ruins which were the anteroom and drawing room of the local KMT department. No one knows the truth. It was said that the day before the incident several secret police coming back from their work in the country were followed by garrison troops who thought they looked suspicious. The troops attempted to capture them at the KMT office, and a fight took place. It was also rumored that there have been collisions between them before. The inside facts are unknown but everyone had a sleepless and fearful night. Is this another example of red fear hysteria?

A TOWN CRIER.

Kuaiyuan, Anhwei
May 24, 1948.

Don't Sell CMSNC

To The Editor:

As a cadet of the Marine Academy, I want to say something about China's navigation. It is well known that navigation is an index of the rise or fall of the power of a nation.

Therefore, it gives us great sorrow to hear that China's Merchant Steamship Navigation Company may be sold to the United States. The history of the CMSNC is one of the oldest in China. As for the matter of selling it, this is something like selling a watch or a ring. It would satisfy us for the present, but later on we would still be poor.

All private shipping companies will be controlled by foreigners if CMSNC is sold, and our coastal and inland water power will rest in outside hands. I, with all the cadets and those who long for a powerful China, hope that the government will follow our advice.

JIMMIE TSAI.

Wuchang, Hupeh
May 24, 1948.

Hunan Strike

To The Editor:

Here in our university (National Hunan) a general strike is going on. The main cause is that a number of students who pay for food themselves have asked for rationed rice from the Hunan Provincial Government, and simultaneously called for general sympathy.

The students' self-governing body on May 19 summoned a meeting of students, 1,200 of whom attended, and the strike was agreed upon. At the same time, the students decided that they should all cross the Siang river on May 20 to petition the Hunan Provincial Government for rationed rice. This decision was then made known to the government.

On the night of May 19, the garrison forces of Changsha were ordered to remove the boats on our side of the river so that we could not cross. On finding some boats at the wharf next to ours, the garrison forces ordered the boatmen to sail them to the other side and hit them with the ends of their guns. The boatmen cried for help, whereupon some other boatmen came to their aid and asked the soldiers to stop. The soldiers pulled out their bayonets and cut them on the shoulders and heads.

Now these wounded men lie dying. China is going forward on the road to equality and freedom, and the Constitution is in being, but what do we people have? The result of constitutional democracy is massacre, terror and new ways of putting people to death.

DAN NAN CHIN.

Changsha
May 21, 1948.

Chennault's Plans

To The Editor:

We, a group of students, are enraged by the news that General Chennault, in order to assist Chiang massacre our people, is going to reorganize a new Flying Tiger air corps.

Since V-J Day, with the aid of American ammunition, hundreds of thousands of innocent Chinese people have died. General Chennault, for his private commercial profit, now plans to join the civil war.

Chennault: You have made an honorable record in the war of our national resistance, but if you want to be the enemy of our people, then your record will vanish and your name will be despised.

Dear editor, we beg you to publish our words in the *Review*.

L.M.K., S.A.T., L.R.T.,
H.K.C., T.G.R., L.Y.T.,
Y.G.C., C.L.K.

Students of the University of Amoy
Amoy, Fukien
May 24, 1948.

(*Editor's note*: General Chennault has denied that he has any such plans.)

Review Travels

To The Editor:

I became one of your staunchest readers about two years ago. Now I am forced to stop my subscription, but I hope it will be a temporary halt. I shall graduate from college this summer, and as soon as I get a job I will renew my subscription.

I have been passing my copy of the *Review* to two of my friends after I finished reading it, and thereafter it was mailed to another friend in Kiangsi, who read it and forwarded to a friend in Sinkiang. You can imagine how much your *Review* traveled. We did this because all of us held the *Review* in high esteem but could not afford the money for a subscription.

I hope that you will publish a *Review's Series* in the form of a book containing the "Review's Selected Articles," "The Review's English Lessons," "Selected Editorials of the China Weekly Review," etc. This is not only an opinion of mine, but also of my friends.

JAMES C. C. GUNG.

Hangchow
May 23, 1948.

Can't Afford It

To The Editor:

We know well that under the serious bankruptcy of the economy, it is beyond the power of professors, students and honest public office holders to subscribe to a high-class magazine regularly. They should be the regular readers of magazines such as yours.

I like your editorials very much because you speak frankly what you should speak and what you want to speak, although it is not a "say what you want to say" time in China now. You are a righteous publisher and an honest friend of many good Chinese people. But as your subscription rate is too much for me, I am sorry to say I can not afford to subscribe to your *Review* any longer.

C. W. KIANG.

Hsien-yuang, Shensi
May 21, 1948.

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Anti-American Demonstrations

THE recent anti-American demonstrations by Shanghai students who have been attacking US policy in Japan have led to a great deal of bitterness and confusion in local Chinese and American circles. The students are bitter because they feel that the US is building up Japan at the expense of China. The Americans are bitter because they feel that such charges are not true and they are particularly unhappy because the center of the anti-American activities is St. John's University, an American-founded institution still largely financed with funds sent from the States.

Both the students and the Americans are terribly confused. Some of this is self-administered, while some is doubtlessly supplied by people moving behind the scenes.

• • •

THE basic issue is Japan. The students are citing figures for industrial production as proposed by various American groups such as the Strike Committee, the Draper Mission, etc. as evidence of the extent of American plans for Japan's economic development. While there is no denying that US policy has changed since VJ Day and is no longer in accord with the Potsdam decisions—General MacArthur's headquarters has officially announced as much—the proposals made by the Strike Committee and the Draper Mission do not constitute American policy. This is confusion. By the same token Consul General Cabot, who is leading the opposition to the students from the American side, is just as confused since he has time and again tried to defend reports and rumors which have appeared in the press and in the reports of the two aforementioned groups. Such things do not constitute American policy in Japan. We challenge the students, Chinese officials, or Mr. Cabot to give us a clear definition of US Policy toward Japan. There is no such thing. General Marshall doesn't have one and Congress doesn't either.

About all that can be said of America's Japan policy is that it is presumably in the formative stage. America has discarded the unrealistic decisions reached at Potsdam, which, if implemented, would have turned Japan into a giant farm and doomed millions of Japanese to starvation. The ignorance of the occupation personnel as of VJ Day was abysmal. Slowly, the many problems to be met and solved have soaked into the skulls of General MacArthur and his aides Japan, stripped of overseas possessions which she formerly exploited, crowded with troops and civilians who formerly obtained their living in other parts of Asia, is in a bad way. If the Japs are to live a decent life, which we certainly hope they shall, they must be permitted a much higher level of industrialization than was originally planned. Further, since a living cannot be made off the land, a certain amount of export trade must be allowed so that the Japs can pay for essential imports.

This much seems obvious to us and, we think, should be obvious to anyone who has studied the question of postwar Japan even superficially. However, although it is possible to determine in what direction the American thinking is moving, there is no such thing as a definite policy. If America had had a well-defined Japan policy neither the Strike Committee nor the Draper Mission would have had any excuse for existence.

While we agree that the Japs cannot be left to starve, we must point out that there is a great deal of danger in the course we are treading. First and foremost, General MacArthur and others to the contrary, the Japanese Zaibatsu have not been broken up. We have followed published reports on this subject with great care and we have read many directives telling of the dissolution of the Zaibatsu, but it is our impression that no *serious* attempt to accomplish this has yet been undertaken. American correspondents in Japan, who are generally well informed, report that all attempts to break up Japan's great family fortunes have met with failure. True, a few Zaibatsu family holdings have been sequestered and new stock companies formed with the stock put on the market. But even SCAP officials admit that this has been a failure because no one in Japan—aside from the Zaibatsu themselves—has enough money to buy the stock. There is even a suspicion that the original Zaibatsu owners have already formed dummy corporations and supplied individual agents with cash for buying back these stock shares on the open market. What's more, the personnel, the management of the companies is the same. The production managers, the treasurers, etc. are all people who have served the Zaibatsu owners for decades. Some are even related to the owning families. These are all facts, facts which have been published in official American documents and publications, as well as in the press. We just don't see how they can be got around by anyone.

While the students overplay the American moves toward restoring Japan's industrial setup, American officialdom has certainly underplayed it and has departed about as far from the truth

as have the students. Neither have been very correct in their statements.

Another bit of confusion to which many Americans are subject is a direct result of the present strained relations between Russia and the United States. Too many Americans are inclined to dismiss as unimportant the whole Japan question because they see a new and greater menace in Russia. Mr. Cabot fell into this error when he said in effect that the students should not be worried about Japan because it was the lesser of two evils. Accepting the lesser of two evils is not the path for the clear thinker. It may be necessary to put up with a lesser evil in times of war or other emergency, but in so doing one should never be lulled into the belief that the lesser evil is therefore not evil.

However, this same example of confusion rules for the students as was pointed out by Mr. Cabot who continued by saying that while the students were worried about Japan, they seemed to have no fears over the possibility of trouble from the (Russians). This is a well known pitfall into which Chinese intellectuals have been stumbling for some time. They yell about American encroachment in South and Central China, American influence with the present regime in Nanking, American interference with the nation's internal affairs by the granting of economic and monetary aid to Nanking and by the arming and training of Nanking's troops, but they never object to the extraterritorial privileges of the Russians in Dairen, nor of their dominent position in the railroad connecting China with Siberia.

This same "blind spot" is observable among many Chinese professors and other intellectuals who are actively opposed to the present Government. The reasoning goes much like this: "We dislike the present Government and we want to get rid of it. We could have gotten rid of it long ago because it is so rotten, corrupt and inefficient that it would, in the normal course of events, have fallen at the end of the Pacific War. However, you (America) stepped in and propped it up. If it weren't for you and your meddling, it would be past history by now." This may be true. While it would be difficult to say just when this Government might have collapsed, it is true that its life has been lengthened immeasurably by American aid. However, when it is pointed out to most intellectuals that, while they have a difficult time under this Government, they would also have a difficult time under any form of totalitarian government, they simply answer unrealistically, "We don't care. Communism may mean the end of free thought, but in any event we have to get rid of the present Government." The professors, in fact, take a strictly logical view; they will not compromise by taking what might possibly be considered (from their personal point of view) the lesser of two evils. However, they become somewhat unrealistic when they remain deaf to any suggestions that perhaps by aid and pressure America may change the nature and makeup of the present regime to such an extent that the worst of the current evils may be done away with and a government gradually developed which will be not only better than the present one but more satisfactory to an intellectual than a Communist one.

* * *

A FURTHER complicating and confusing factor in the present argument between the students and the Americans is the position of the Chinese Government. Just what the views of this Government really are is a bit hard to determine. However, we feel it safe to say that its real and honest position cannot be far from that of the students. It simply stands to reason that a Government which has spent eight years fighting against military, economic and political invasion can only view the vanquished enemy with fear. Certainly any suggestion of restoring to the former enemy even a small part of his former strength can only arouse hostility and suspicion.

The Americans continue to assure the Chinese that they have nothing to fear because Japan will have no military forces. However, the Chinese know very well—far better than the Americans—that Japan's first moves toward conquest were economic and political and that force was applied at a much later date. The reason force was not used earlier by Japan was because she was progressing very well in accomplishing her aims in Asia without the use of troops. She began military operations when it appeared that economic and financial penetration was not succeeding fast enough. Japan attacked in China when it became apparent that even with the loss of Manchuria China was forging ahead economically and would soon be in a position to combat Japan's economic encroachments. Japan attacked Pearl Harbor only when it became evident that her economic penetration of Asia had hit a stone wall.

The Chinese remember how we said Germany would be disarmed after the first World War and how she nearly conquered us again in less than three decades. How can we be considered as knowing what we are talking about when we are fast moving to a position in our thinking about postwar Japan which will allow her to resume—even if only partially—economic control in Asia? First we said we would disarm Japan and destroy her war potential by wrecking war plants and removing the major portions of her industrial plant. Now we say we have disarmed her but desire to allow her to keep a small bit of her industrial setup. Tomorrow may we not, in Chinese eyes, be expected to say, "Let Japan increase her industrial strength a little more." The day after tomorrow perhaps we may, in Chinese eyes, be expected to say, "Let Japan rearm just a little bit."

* * *

STILL another point of confusion in the present crossing of swords between the students and American officials has to do with internal politics in Nanking. The students may not know about this, or if they do, it is unimportant to them except that it gave them a chance to express something they have felt for a long time.

American officialdom has in recent months been interfering in the affairs of the Central

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Government with increasing frequency. The new US economic aid and the fact that it is to be handled almost entirely by Americans gives us a fairly big stick in Nanking. American support was quite openly given to General Li Tsung-jen in his campaign for the vice-presidency of the Republic. A similar amount of American disapproval was publicly given to Sun Fo, a man who is thoroughly disliked by most American officials. Similar American opposition to Chen Li-fu was expressed.

We are intriguing in Nanking in a thorough manner and sometimes we meet with success. We personally are not prepared to discuss the rights and wrongs of such a policy. It may be justifiable, from one point of view, if it results in better Government. Proponents of the plan say that the Chinese people should thank us because without our active help Li Tsung-jen would have been defeated by Sun Fo and then Chen Li-fu would have been president of the Legislative Yuan. On the other hand, there is no denying that we are getting very involved in the internal affairs of another country, and this is something we supposedly are opposed to. At least we have long been advocates of a policy of non-interference in the internal affairs of other countries and it is the internal interference policy of the Russians to which we attribute much of our present difficulties with the Kremlin.

However, regardless of the rights or wrongs, we are actively participating in the affairs of the Nanking Government. This, of course, is welcomed—at least for the moment—by those we support and is certainly opposed by those whom we do not support. We have embittered the so-called CC Clique, and the present anti-American demonstrations by the students is part of their revenge. The CC Clique has not been crippled by our support of their opponents. It still is probably the most powerful single group within the Kuomintang and it is out to pay us back.

The first move in this direction, it is reliably reported, has been to pass the word around through the Ministry of Education, which the CC still dominates to a large extent, that the authorities would not look askance at some first class student demonstrations against American policy in Japan. This is all the students need to set them off. They are opposed to what they consider to be America's Japan policy and also, through demonstrations against it, are giving evidence of their disapproval of Nanking which officially is not opposing US policy.

The student's present movement is as much a censure of their own Government as it is anti-American. The CC people realize this, but that doesn't bother them very much at the moment, because if it gets too serious the Government has the power to quell the students as it has done so often in the past. However, it needles the Government and embarrasses it. It may also be a chance for the Government to go to the American officials and say, "See here, we are supporting you in Japan against our own convictions because we realize the danger of Russia, etc., etc., but we are having a lot of internal opposition because of this. We have got to pacify the people (students in this case) and therefore you have to make some concessions." (more economic or military aid, or something else).

* * *

THERE are several things motivating our Japan policy, all of which the Chinese are aware. We fear Russia and, finding China (Nanking) involved in a bitter Civil War and needing support just to keep from falling victim to a Communist-led rebellion, we cannot see this country as a bastion against Communism in Asia. Japan might prove to be the bastion for

which we are looking. She is the most modernized and Westernized nation in Asia. We fear future trouble in Japan if we try to impose too heavy peace terms upon her. There will be bitterness and a desire for revenge which will keep us uneasy. We dislike the cost of occupying defeated Japan. So long as we restrict her economic activities, she cannot feed herself and the burden, a very expensive one, falls upon us. Political considerations at home will not permit us to continue to carry this burden indefinitely.

We feel that America is really in a dilemma in Japan. It is difficult to move definitely along any clear cut path. The result is that we have been drifting along, taking whatever course seemed expedient. The Japs realize this and they have done their best to see to it that we do what they want, which, naturally, is to be able to resume their old position of dominance in Asia. The Japanese, or at least those Japanese who run the country's affairs both in office and behind the scenes, feel that their only mistake in the last war was in losing it and that they must see to it that they don't make this mistake again. They are playing their cards very carefully. The Japanese inflation is largely self-induced, as are many other of the present ills besetting Japan. The allowing of conditions to deteriorate, coupled with an amazing subservience and compliance with the occupation, are deliberate policies aimed at two things: To make the occupation so expensive that the Americans will get out in the near future and to present such a pitiful case that the Americans will acquiesce in Japan's plans for industrial redevelopment.

* * *

WE think that confusion has been the main thing demonstrated by all parties to this current Chinese-American dispute. The students will not help matters by declining to be realistic or by omitting from their reasoning any facts or factors which do not strengthen their case, regardless of whether or not they happen to be pertinent or true. American officials will not aid in clarifying the situation if they continue in an ostrich-like manner to overlook the legitimate complaints of the Chinese (in this case the students) and counter all charges of American wrong doing with flat and unreasoning denials. Neither will matters be helped by the foremost exponents of personal freedoms in the world today taking the attitude that criticism of America cannot be made in schools receiving American financial support. There is nothing to be gained by behaving like a pre-war British or French colonialist who believed in freedom and democracy, but only at home for Englishmen and Frenchmen.

What is needed is a little *sound and honest* thinking by all concerned.

The New Export-Import System

WHEN Mr. O. K. Yui, new Governor of the Central Bank announced the new Foreign Exchange Certificate scheme on May 30, businessmen agreed that the idea was good in theory and might also prove to be good in practice. But by no means did they say that it was ideal. They considered it a beginning, not an end. And in this respect we certainly agree.

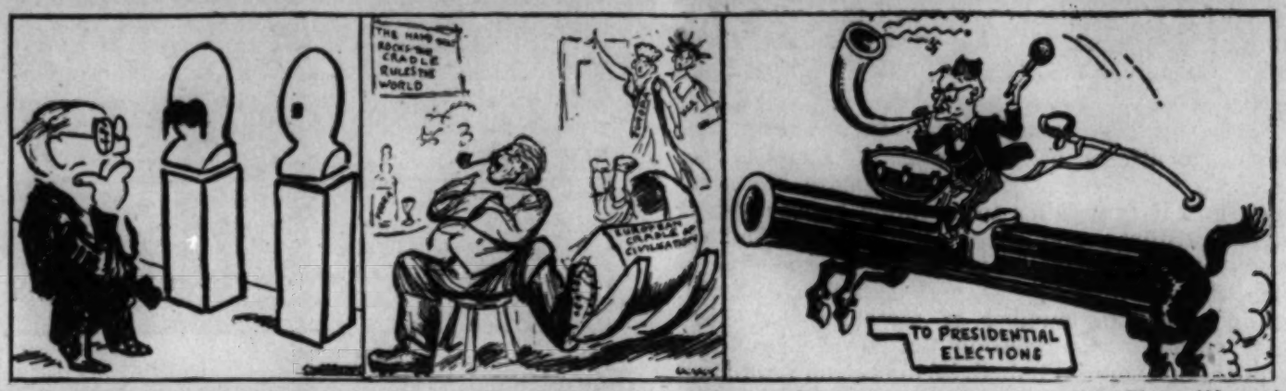
While it cannot be in the province of this editorial to comment on the whole regulation, it is obvious that by fundamentally accepting the export-import link plan submitted by Shanghai business quarters long ago, the Central Bank has got rid of some of its previous obligations and sorrows. If we interpret the new regulation correctly, the State will be responsible only for as much foreign exchange as is needed for the importation of rice, wheat, flour, cotton and fertilizers. Whether there will be foreign exchange available for other imports entirely depends on the quantity and value of exports and the amounts remitted by Overseas Chinese. On the other hand, imports remain restricted so that the quantity of essential raw materials obtainable on the market remains as small as before. And this means that there is little hope for price declines.

Let us repeat that as a first step the new regulation is good. However, neither is it a panacea nor is it fully clarified from all points of view. At the time of writing, for instance, we do not yet know what will happen to foreign exchange received by Government agencies such as Central Trust. Will Government agencies surrender their foreign exchange to the Central Bank directly or are they considered commercial firms whose certificates are dealt with on the open market?

Exporters, we presume, will be in a position to calculate prices at a more realistic exchange rate and importers will not be obliged to pay unpredictable amounts of money for their cargoes, as was stipulated in the notorious Circular No. 131. But importers may still be obliged to compete against semi-official agencies whose managers may again have better chances than ordinary businessmen. For example, will Japanese rayon, imported on a Government barter basis be calculated at the rates prevailing on the Certificate market?

The original idea, we are told by Chinese businessmen, was that the Government should issue a list of prohibited imports, luxuries for instance, and that then the trade should handle the market. Obviously it is a long cry from the new regulation to so commercial a system. As matters are at present, an importer cannot make use of his export exchange just as he wants to. He cannot buy cheap and make a profit from clever and business-like calculations. He cannot play out his trump card because as an importer he still depends on quotas and permits. In the whole game, his hands still are not free.

By no means, however, do we want to minimize Mr. Yui's effort. What he has done, probably was the maximum he could at present. He has eliminated an unrealistic exchange rate. He has seen to it that more remittances may be sent through legitimate channels. He has taken a first step toward a more up-to-date exchange market. But Mr. Yui probably will agree that the whole effort would lose its value if businessmen are not given a real chance to make use of



Echo der Woche (Munich)
Bevin: "The difference is really quite unessential."

Time and Tide (London)
"The busy nursemaid."

New Times (Moscow)
"A rider who has lost his head."

their abilities and of the practical knowledge upon which so much depends whenever trade is concerned.

By saying that trade should be given a real chance to do business we mean that trade should be the affair of traders, not of the State. But indications are that while a new foreign exchange system is announced, the State is eager to handle a good deal of all imports and exports and the bulk also of American aid supplies. To say it frankly: according to the new regulations, traders are bound to export so much that imports can be paid for (apart from the five items mentioned above), but the State will handle the "aid supplies," will adhere to its semi-monopolistic exports, will buy and sell as an independent merchant to whom general regulations fail to apply.

By no means did we or any businessman in town expect Mr. Yui to reform the whole trade and foreign exchange system through a single regulation. But we do feel that while the new ruling has its great merits it does not warrant enthusiasm. The trade's responsibility has increased, but its liberty still is limited, Mr. Yui can be sure of all businessmen's support when he tries to step forward on the road to more economic freedom and equality.

Going Backwards?

UPON several occasions we have commented upon the deplorable system of taxation in this country, pointing out that the only real "system" is that which fixes the chief part of the burden upon the Chinese farmer. While the farmer can be certain that his taxes will be constant and heavy, the businessman, industrialist or professional man cannot be certain. Frequently he escapes taxation entirely, or he may be saddled with crippling levies. It all adds up to an unrealistic, haphazard mess.

Sometimes, when we view the myriad, confusing and illogical taxes, we wonder if the authorities understand anything about taxation except that it is a way to raise money. While the securing of monies to finance the expenses of government is of course the important thing, taxes can and should be made to serve many other objects. However, taxes in China, because of poor tax planning and poor administration in the collecting and disbursing organs, do not even satisfy the first requirement of meeting government expenses.

China needs to re-examine her tax structure and begin all over, abolishing virtually all present taxes and establishing an entirely new system based on sound thinking. The idea of squeezing as much as possible out of the people is unfair and defeats its own purpose because the populace is aware of this and refuses to cooperate. The authorities can never secure adequate funds from taxation without the support of the taxpayers and they will never get the support of the taxpayers until the latter feel that the system is just and equitable.

Largely because the system is poor and, in actuality, is hardly a "system" at all, the Government is unable to obtain sufficient funds for its expenses from its present measures of taxation. Periodically, the authorities contemplate this sorry situation and, instead of going to the root of the problem and reforming the system, they simply think of another tax to add to the already topheavy structure. The result is that the people simply set to work to figure out how to avoid payment of this new tax. If the average Chinese paid all the taxes required of him by law, he would be bankrupt. Taxation on any given individual may possibly exceed his entire annual income. Obviously, he cannot and will not pay. A situation then arises in which most of the people avoid most of the taxes one way or another and the authorities obtain enough revenue by continually adding new taxes, which are bound to catch a few people, especially before they become familiar with them, and by turning troops and officials loose on the lowest level of society—the farmer who can almost always be forced to give up an occasional "gift" of a chicken or a sack of rice, or something else.

The deficit still existing is made up by issuing printing press money, which is the most vicious form of taxation there is in that it causes the money in the pockets of the people to diminish in value by the hour. Here again the burden falls upon those least able to bear it, the little guy. The man of means may minimize the effects of the inflationary tax by quickly investing his cash in commodities. The little man never has enough to buy commodities. His financial re-

ward for his services is so small that most of it immediately goes into his stomach. He never gets enough ahead to be able to hoard or speculate.

Eventually though, the inflationary tax seriously affects other classes of society, too. Already in Shanghai many legitimate businessmen find it impossible to continue honest operations. Stores and other enterprises find it necessary to speculate in commodities. Industrialists are also hit, as can be seen from the rapidly growing number of factories that close each month. The inflation tax is reaching such proportions that an industrial operation requiring work on raw materials for longer than a few hours becomes a losing proposition.

The May 24 issue of the *China Economist* carries a story detailing the imposition of interport levies on merchandise in North China. As the *Economist* points out, this is actually a return to the old practice of Likin which is the establishment of tariff barriers within the country. While such a tax system raises revenue, it also raises the cost of living since all products from the countryside must pay a tax before being moved into the city. City products are also taxed as they leave the towns and the end result is that everyone buys less. Trade is stifled and the country moves back toward the feudal economy against which it has been struggling for the past half century.

Even the wording of the new law imposing this additional tax is indicative of the complete ignorance of the authorities concerned. The *Economist* says: "The authorities in Hopei Province announced that a 'temporary pacification levy' would be collected.....to meet the additional expenses of the province.... Taxes must be paid for the transport of livestock, staples produced in various districts and goods which should be banned.... The rate of levy varies from five to 10 percent of the value of the cargo and taxes will be collected for pork above 20 catties, for mutton above 10 catties, for native products valued at more than CNC$1,000,000 and for prohibited goods valued above CNC$200,000."

As the *Economist* pointed out, whether a "special" levy, or whether "temporary," the fact remains that it is nothing but a return of Likin, which, it was generally agreed years ago, was unreasonable and decidedly detrimental to the economy.

Any attempt to straighten out the country's financial problems at present is well-nigh hopeless until such time as the authorities are prepared to adopt a *sensible and realistic* view of the tax situation. Virtually all present taxes must be scrapped and a new system built from the ground up. Taxes should be evenly and justly distributed so that the poor pay no more than they can reasonably afford, so that the privileged do not escape taxation and so that orderly economic development is not stifled.

When such a system has been adopted, then, and only then, can the Government accurately tell just how great is its deficit. With a mature tax system, the Government will be better able to float internal loans, not to mention attracting private and official foreign capital to China resulting in the creation of more wealth, which would be liable to sensible and just taxation. The present taxation system retards economic development and strangles the very sources of wealth which would later become available for taxation.

25 Years Ago In *The Weekly Review*

Government Collapses

June 2, 1923.

The government of the Republic of China has collapsed, and no one has the plans for reconstructing it. The machinery for removal of the debris is not in operation, and there seems to be no way of getting it started.....Those forces which undermined the foundations of the government still are operating to block the way to stabilization....The important thing now is that the government by its acts and its inability to act admits its complete unworthiness and incompetency. Since it does, everyone who wishes for China an avenue of escape from the condition of anarchy, or some other form of chaos which is certain if fundamental reforms are not effected promptly, prays first that the eyes of the people may be opened.....It is impossible to determine how much a peace-loving people will stand before they are thrown into revolt against the forces and factors responsible for the abuses to which they are subjected.

* * *

"The Black Market"

Part of China would welcome outside help today, because the seriousness of the situation is understood; part of China fears it, thinking foreign help would mean foreign control and foreign control would mean abuses; part of China hates the suggestion of it, because those whose deeds are evil fear the light and love darkness; and part of China fights against it, because, being hirelings of the enemies of the principles in whose defense the foreign hand would be applied, those of this class must oppose the spread of the principles of a government by the people and for the people.

10 Years Ago In *The China Weekly Review*

Refugees Flood Shanghai

The influx of Chinese war refugees into Shanghai continued unabated since the occupation of the surrounding areas of this city....It has been estimated that more than 2,000,000 people from war areas have arrived in Shanghai, and more are pouring in for refuge. Well informed circles here attribute the continued influx of war refugees into this city to the fact that the Japanese have enforced compulsory recruiting of adults in their occupied areas.

* * *

Fear Foreign Control

The *Hwa Mei Chen Pao* declares that the current fluctuations in the exchange rate were largely caused by the operation of what has been popularity called "the black market." "Since the imposition of the exchange control rulings," the paper points out, "the demands for foreign currency were naturally very high.....To meet these demands, the black market was set up by speculators, thus causing the erratic feeling which now prevails in the exchange market." However, the paper observes, the present exchange fluctuations are by no means an indication of the devaluation of the Chinese money. They are only the effects of the black market. "The stability of the legal tender depends upon the support of the people. If we want to stabilize our national currency, we must not support the black market. We should not buy foreign exchange at this moment, for when we buy one dollar's worth of foreign money, we will lose on dollar's worth of financial strength.

ENGLAND, CHINA AND TIBET

A STUDY OF THEIR RELATIONS

Shenchi Liu

THIS is meant to be the first of a series of three articles by which I venture to present an objective appraisal of the problem of Tibet from the viewpoints of the three parties concerned, namely, England, China and Tibet. Fully realising my natural bias as a Chinese, I have decided to state the case separately for each of them in order to avoid those entanglements of argumentation which might easily lead me to prejudices and impartiality. And I propose first to state the case of England.

Anyone at all acquainted with the history of Anglo-Tibetan relations knows that their first real contact took place in 1904, i.e. the year of the Younghusband Expedition. Among the numerous factors that led up to this famous expedition to Lhasa, two factors stood out prominently and need be mentioned here. First, there can be no denying that the inner dynamic strength of a still growing Empire at the turn of the present century made it difficult for England to restrain her energy from overflowing the sub-continent of India. Those were still the days when any Englishman could with just pride quote Mr. Canning's eulogy to India as a country fertile in English heroes and statesmen. The northern border of India presented an unlimited field for expansion; and had the London authority been more encouraging, the band of enterprising, efficient and romantically-inclined Empire builders who then filled the ranks of the Indian civil and military services should have had no serious difficulty in slicing off the vast and depopulated backyard of China that is Tibet. That they were not given a free hand by the London Government was perhaps due less to the inflated prestige of the then crumbling Chinese Empire than to a possible complication with expansionist-Tsarist Russia.

England Feared Russia

And this immediately brings us to the second important factor. Now with the advantage of a hindsight of almost half a century, one can fairly conclude that but for England's apprehension, whether ill-founded or not, of an imminent Russian domination of Tibet, thus threatening the whole of India's northern border, the above expedition might never have been attempted or at least considerably delayed. England, then, having by the treaties of 1886 and 1890 wrested China's recognition of her annexation of Burma and protectorate over Sikkim, both tributaries to China, was disposed to hold the more extreme elements in India from further ventures in Tibet. However, in the eyes of the latter who were responsible for the safety of India and specially those who were watching over her northern borders, Russian influence in Tibet through the Burhiat counsellor, Dorjieff, to the 13th Dalai Lama had grown to such an alarming degree that they thought England should in the interest of India do something to forestall it. Hence the expedition was timed exactly at the outbreak of the Russo-Japanese War when Russian intervention in Tibet was beyond question.

> Mr. Shenchi Liu, the author of this article, the first of a series, has long been a student of Tibetan affairs and is well qualified to deal with such a complex question as Tibetan relations with China and Britain. Mr. Liu lived in Tibet for many years and for a time served as the secretary of the Mongolian-Tibetan Affairs Commission, stationed at Lhasa, capital of Tibet. In this article the author deals with the question of Tibet from the British side. In the next article he will discuss the Chinese case and in the third and last article will deal with the same subject from the Tibetan point of view.—*Editor.*

Lhasa Convention

The result of the expedition was the signing of the Lhasa Convention of 1904 between Col. F. Younghusband and the Tibetan authority. One of the reasons given by England to justify her conduct in this regard was the lack of sincerity of the Chinese Government in implementing the Convention of 1890 and the Trade Regulations of 1893, i.e. the delay in opening the trade mart of Yatung and her acquiescence in the Tibetans' obstruction to the normal flow of commerce. England naturally discredited China's excuses that the Tibetans strongly opposed the said Convention and Regulations as being favorable to the Sikkimese only and prejudicial to their legitimate pasturage rights in what they regarded as part of Tibet, and that it required time to bring them round. So when the English troops marched into Lhasa, they were surprised to find how really powerless the Chinese Ambans were. The two gentlemen were practically a couple of honorable prisoners behaving their best to save what little face that still remained with their office. That was why the Lhasa Convention paid even no pretense of deference to China's sovereign rights.

There are two aspects in connection with the Convention which are of long-range importance. First, England established the precedent of direct negotiation with Tibet over and above the head of China. Secondly, England claimed certain "special interests" in Tibet which in those days were usually summed up in what is called the most favored nation clause. By article nine of the Lhasa Convention, Tibet engages not to permit any foreign power to intervene in its affairs or to send any representatives or agents to it, nor to grant without the previous consent of the British Government any territorial or financial concessions to any foreign power, nor to give any concessions for railways, roads, telegraphs, mining or other rights to any foreign power without granting similar and equivalent concessions to the British Government. The article has in its actual operation both a preventive and curative virtue. England wanted first of all to bind Tibet down to a status quo which was to her advantage; and then in case that was not possible, she would allow no competitor to get ahead of her. These two points have since been the hinges on which British policy toward Tibet and hence toward China has swung back and forth for many years.

It was first swung back in 1906 when England and China signed a Convention in Peking—in many respects a masterpiece of ambiguity. China, while confirming the validity of the Lhasa Convention of 1904 signed between England and Tibet direct, seemed thereby to have got England down to an implicit recognition of China's sovereignty over Tibet. In regard to China's claim over Tibet, there were then notably two opposing schools of opinion in the Government of India. One denied that China had any claim at all over Tibet and pressed for treating the latter as a totally independent state; while the other was in principle willing to concede China's rights but then could not make up its mind how far to go.

The real point at issue was of course whether or not China should be considered as a Foreign Power to whom Article Nine of the Lhasa Convention would be applicable. The Peking Convention of 1906 therefore was signed with some dissatisfaction on the part of the more radical elements. However, India's fear was mainly directed against Tsarist Russia. Hence in 1907, England concluded with Russia the St. Petersburg Convention whereby the general provisions of the Lhasa Convention including the direct relations between the British Commercial Agents and the Tibetan authorities as well as England's special interest

In the maintenance of the status quo of Tibet's external relations were recognised by Russia. Another thing of interest is that it was in the same Convention that the word "suzerainty" was for the first time introduced to designate China's relation to Tibet. With Russia's hands tied and China's endorsement of the Lhasa Convention reaffirmed, England might well have been content to leave the matter at that but for some cataclysmic events which precipitated the whole thing and made the door of British policy swing forward once more.

Flight Of Lama

With the dramatic flight of the 13th Dalai Lama to Darjeeling, India, in the beginning of 1910, England entered upon a policy of active interference in Tibetan affairs. No argument could be more eloquent than this for the success of British statesmanship and the hopeless fumbling of the Manchurian court that barely five years after Younghusband's Expedition, the 13th Dalai should fly to and seek the protection of those with whom he was resolved to have nothing to do even at the expense of shedding blood.

The descent upon India of this illustrious exile naturally blew much wind into the sails of those in favor of strong action. Yet even then, British policy evinced considerable vacillation. Several protests were made verbally and in writing by the British Legation at Peking over the subsequent deprivation of all titles of the 13th Dalai and the dispatch of Chinese troops to Tibet. However when China replied that she was forced to exercise her authority to chastise the 13th Dalai on account of his disobedience and to send troops to Tibet to see to the proper observance of the standing Sino-British treaties by the Tibetans, England was satisfied and only reiterated her wish that her commercial rights be respected and the Chinese garrisons to be stationed on the Tibetan border be limited within reasonable bounds.

A sudden stiffening of England's attitude followed in June that year when she notified China of her intention to send troops to Tibet to protect the life and property of her subjects in case of necessity. Since no definite case could be assigned to this sudden turning, perhaps it was because England was becoming suspicious of China's ultimate intentions toward the hill states of Nepal, Bhutan and Sikkim which are on the southern slope of the Himalaya and long regarded by England as within her sphere of influence. At least the political status of these states in respect to China constituted the main point of contest in several notes exchanged then between China and England. China, while acknowledging the British protectorate over Sikkim according to the Convention of 1890, regarded Nepal and Bhutan as her tributaries—a fact which England could not further tolerate. The afore-mentioned more extreme elements in the Indian services argued that now that the threat of Russia to India's northern border had been removed, they were not going to see China re-installed there instead. With their obsession of India's defense and security, they certainly visualised much more danger in a possibly hostile though weak China than in a possibly friendly but practically prostrate Tibet.

Not infrequently, England has been accused of plain aggression in Tibet. However when judged in the proper perspective of those days of power politics, England's conduct in regard to Tibet certainly gave no ground for such accusations. Nonetheless, this does not detract anything from the fact that England's fundamental policy is to keep all hands off Tibet, including the hand of China.

On account of her preoccupation with the security of India, it is understandable that it was in her interest to preserve the status quo of Tibet in order that it might serve as a buffer between India on one side and China and Russia on the other. This has remained the fundamental tenet of her Tibetan policy despite some alluring opportunities when she might have taken Tibet under her protection like Sikkim and Bhutan or annexed it outright with nothing but one or two feeble protests from China to count on.

Revolution Presented Chance

One of these opportunities occurred at the time of Chinese Revolution of 1911. The demoralised Chinese garrisons in Lhasa, revolting upon hearing of the Emperor's abdication, looted the hapless populace and lamasaries and were then disarmed and driven out by the Tibetans. The 13th Dalai Lama returned from his exile and started a series of anti-Chinese moves, culminating in a declaration of independence. England's power then became firmly entrenched in Tibet without a challenger.

The declaration of independence, however, seemed to have been too precipitately drawn. In the year 1914 when the Simla conference was convened under the umpireship of England and when there seemed to be nothing to stop the Tibetans from pushing their claims home, all that was demanded of China was a de jure recognition of the autonomy of what was called "Outer Tibet." This de jure recognition was never given. And yet to all practical purposes, this part of the draft convention was carried out by a tacit agreement between England and Tibet and has remained in large the de facto relationship between China and Tibet. The chief purpose of the said draft convention was first to divide Tibet into two zones, namely "Outer Tibet" and "Inner Tibet," the former being the part nearer India including Lhasa, Shigatse and Chamdo while the latter constituting what is now known as Sikang province; and secondly to have China's recognition of the complete autonomy of Outer Tibet. Thus to England, China's position in the zone designated as "Outer Tibet" has since been relegated to one somewhat tantamount to a "Foreign Power" and hence the main provisions in Article Nine of the Lhasa Convention of 1904 became ipso facto applicable to China.

At least this appeared to be the governing principle with England in all her later dealings with China. When relations between Tibet and Szechuen deteriorated to a breaking point, England's good office was sought by both sides to end the actual fighting. This might be considered the second opportunity for England to extend her political sway over Tibet. Yet she did not take it.

The extension of the "Foreign Power" clause to China in spirit if not in letter became more apparent from 1934. Despite more than 20 years' disruption of official relations between the Tibetan authority and the Central Government of China and a certain amount of bitterness which characterised the local contacts between Tibet and the neighboring provinces of Szechuen, Yunnan and Chinghai, certain ties of affinity between interior China and Tibet seemed untouched and again pulled them together as soon as circumstances became more favorable.

Sometime before the decease of the 13th Dalai Lama in 1933 and after the emergence of a united China under the National Government in 1926, some form of negotiation had been going on between Nanking and Lhasa with a view to a restoration of their former connections. By the year 1934 that is after the 13th Dalai had died, a special commission was sent by the National Government to Tibet which reestablished the link between the Central and local authorities. This was followed by another special commission in 1939 on the occasion of the inauguration of the present 14th Dalai Lama.

England's policy toward and since these two important events bears sufficient testimony to her attitude toward an eventual Sino-Tibetan rapprochement. As has been shown, she was in principle not irreconcilable to such an eventuality. Peaceful and good relations between China and Tibet would only redound to her advantage. Nevertheless, she was most anxious that the rapprochement must not in any way alter the status quo in Tibet specially in regard to her own position which she has enjoyed since 1911.

Hence, in actual execution of her policy, she recoiled on the second point in Article No. Nine of the Lhasa Convention, I mean its curative provision, by which she thought herself entitled to a similar or equivalent share against any and all that Tibet may grant to China.

Thus the year after the National Government of China dispatched its special mission to Tibet upon the decease of the 13th Dalai and established there a Lhasa office which eventually became known as the Tibet Office of the Commission on Mongolian and Tibetan Affairs of the National Government of China, England countered by a visit of her Political Officer in Sikkim to Lhasa

who established there a British Mission which has remained to the present day. And as the Chinese Mission had a medical branch and a radio station, the said British Mission was duly expanded to include a clinic and a radio department in the years 1935 and 1936 respectively.

Here we might add parenthetically that British interest in Tibet has since been in the exclusive care of this special branch of Indian Civil Service extending from the Political Officer in Sikkim through the British Trade Agencies in Yatung and Gyantse up to the British Mission in Lhasa. Another thing that might be noted here is that since no provision in any previous treaties, not even the draft convention of Simla, grants England the rights to station any representative of a permanent nature in Lhasa, the afore-mentioned British Mission is no doubt based on England's claim arising out of the application of the Foreign Power clause to China.

Anyway since then, hardly a Chinese officer of rank visited Lhasa without being followed or preceded by a British counterpart. The race has been kept up by both parties with such jealous regard to an equal opportunity that not a little bad blood has been bred between the competitors to no small amusement of the Tibetans.

That in the main remained the British position toward Tibet and China till this year when the table was turned by the British decision to quit India. We have already seen how England's policy toward Tibet has been chiefly the result of her preoccupation wtih the security of India, and how consistently she has been at the task of removing and forestalling any threat to India that might come from that quarter. Now that India is going to be independent, the duty of her national defense will naturally devolve on the Indians themselves. Whether India is going to remain a Dominion within the British Commonwealth of Nations or leave it altogether in July 1948, she will have the final word to say on her relation with Tibet and China which may not be a mere continuation of England's policy.

At the same time, England's "special relation" to Tibet which is only an extension of her relation to India will lose its raison d'etre once India becomes independent or a full-fledged Dominion. Hence with her decision to return political powers to the Indians, she has at the same time made her exit from the political stage of Tibet and as in the case of Sikkim and Bhutan leaves behind a heritage to the Indian leaders for their own disposition. That appears at least to be the natural conclusion of the important developments that will take shape in India in the course of the next few months.

A Trip In West Yunnan

Helen P. F. Shih

(Special Correspondent, The China Weekly Review)

RECENTLY I made a trip to west Yunnan for more than a month's vacation. It was an excellent opportunity to observe some of the changes which have taken place in this province since the democratic constitution was enforced on December 25, 1947.

Traveling in the west, especially in those bandit areas, is very dangerous. However, it was your correspondent's good fortune to hitchhike a ride in an armed truck which was on a special mission to the west and thus, we returned to Kunming safely.

Currency Refarm

I tarried in Wanting, Monshih, Lungling and Paoshan for a couple of days, respectively. Having talked with many lao pai hsing, I would like to report the stories I have heard and the things I have seen in these remote places.

If my memory does not fail me, I remember that in 1935, 12 years ago, Nanking enacted a Reform Currency Policy which has been reputed as a success in supporting the war against Japan. Aiming to control the skyrocketing prices, the Central Government again enforced the so-called "Emergency Economical Measures" in February, 1947.

In the market in China not only are all kind of foreign currencies, such as the Hongkong dollar, rupee, and especially the US dollar still in circulation, but also the merchants compute their business dealings in accordance with foreign currency, not our own currency.

In the western areas along the Lu River, the rupee, silver dollar and copper are used as the monetary standards and supplementary coins. The CNC bank notes are also used in some hsien, but there is a premium either on the rupee, silver dollar or Kunming.

the socalled "big note" including the $CNC1,000 and 2,000 customs gold unit bank notes. To exchange the $CNC500 bank notes, for large ones, another 20 to 30 percent premium is charged.

A Splendid Marriage

Monshih, a commercial country town along the Yunnan-Burma Road, 877 miles from Kunming, is under the reign of Loose County in name. In reality, Fon Kay-sheng, the Charge d'affaires of Monshih Too Sy (a traditional tribe officer in charge of his people) Yamen, holds the local control. The lao pai hsing were full of gossip of the marriage of Fon's nephew, Fon Yuh-lung, the future Too Sy. The splendid ceremony which took place December 2, 1947, cost 600,000 rupees and was the same as the modern ceremonies held in the coastal provinces.

Beginning from the marriage day, and lasting for a month afterward Fon kept hundreds of guests and sightseers every day. The different tribe people's opus were played during the day and at night movie pictures were shown. According to the rate CNC$40,000 to one rupee at that time, a large sum, not including the cost of the beautiful decorations, must have been spent.

I think it is not exaggeration to say that the cost of the marriage could compare with those of the wartime weddings of the daughters of Dr. H. H. Kung and Dr. Sun Fo.

In contrast to this colorful picture, 80 or 90 percent of the people in most hsien in the west are unclothed. The land is deserted because all the able-bodied men have been conscripted. It is almost incredible to find that such necessities as salt and lard are luxuries to these people. Because of the shortage of the bed covers, the people must sleep by the side of the fire instead of sleeping in beds. They have no lights in their houses and live in the same buildings with animals. They live in a half-hungry state which is caused by the Civil War, high taxes, run-away inflation, constant conscription, repression and corruption. The women in the hsien around Kunming, in order to make a living, go to Kunming to be employed as servants and some of them are forced under the pressure of poverty and hunger to become prostitutes or street girls.

Scapegoats

In Wanting, an important entry port near Burma, I met a friend who was employed in the Customs House there for a couple of years. He informed me that the government officers are quite corrupt in the remote or border hsien. The Shue Lee rebellion was brought about by Yang Li-chung, the opium-suppression officer sent by the Department of Civil Affairs, and Shu Tze-tien, the magistrate. It is understood that the people have the impression that the opium-suppression officer's post is a fat job and every officer takes advantage of the opportunity to make money regardless of the Government's policy.

Officials blackmailed the tribal opium planters by threatening to pull out the opium poppies unless they were paid 20,000 rupees for each plot of ground used. But only 6,000 rupees were paid. Yang, Shu and his wife, accompanied by a number of soldiers went to the villages for "opium suppression." The armed revolt then broke out and many soldiers and tribe people were killed.

Practically speaking, the opium planters are bona fide honest lao pai hsing. They have recognized the fact that opium planting is un-

lawful, but the only way to keep from starving is to continue growing opium.

Being in need of capital at the time of the planting, they are forced to borrow money from the landlords at high interest rates and sell opium to them in advance at cheap prices through responsible guarantors. Thus, the opium planters become scapegoats and remain very poor, but the landlords and opium bootleggers grow more rich with every passing year. The opium bootleggers and landlords constantly deal with illegal businesses, trading guns and ammunition for opium with each other.

This is one of the reasons the armed anti-opium rebellion occurs occasionally in this province. Opium suppression is not an easy job but a serious political problem.

In order to avoid the heavy taxes and conscription, those timid but good people who live on the border near Burma secretly move the border stone further into China's soil. They always complain about the government, which is ridden with inefficiency, corruption, nepotism and dictatorship; they say that the officials put their own selfish interests above those of the nation; they demand a thorough house cleaning.

Chinese Soil Lost

A friend told me another surprising story. Ma Lee Ba (Linen Chestnut Field), also called Guoo Gang Too Sy, is situated along Lu River, where the Han and tribal people mix and grow opium every year. Yang Chung-hoo, the present Too Sy, a Han, is in charge of this place and before the war, in order to keep his position, kept on good terms with both the Yunnan and Burmese government.

However, Yang tended to be pro-Chinese. In the course of the attack in west Yunnan during the war, the Chinese Far Expedition Army was once stationed there and ordered Yang to supply them bamboo with which they made crafts in which they crossed the river. Yang insisted that they had to pay for the bamboo, as the British soldiers did regularly. Not only did they refuse to do so but put Yang into the prison of the headquarters stationed at Tzu-shong hsien, 192 miles west of Kunming along the Burma Road.

During his detention period, because of his past relations with Great Britain, Yang petitioned the British Ambassador to China in Chungking to help him. At last Yang was released by the British Consul from Kunming, and under protection, was flown to Calcutta. From that time on, Yang was unfriendly to China and Ma Lee Ba is no longer under Chinese control!

Lungling and Tenchung, both hsien on the border near Burma, were once under the Japanese for more than two years. The lao pai hsing have suffered much and played an unrivalled role in helping Chinese guerrilla fighters against the Japanese.

Since V-J Day and during the Civil War, the people of Tenchung, especially of Lungling, have had no rest. To lessen the heavy burden, the poverty-sticken people of Lungling asked the Government to amalgamate Lungling with the neighboring hsien but their petition was vetoed. Nobody in Lungling was willing to be "chosen" representative to the National Assembly in the course of the general elections; however, those in power in Lungling grow richer by day.

A number of Robinhoods are scattered in some mountainous villages there and loot rich merchants and the native rich people and cause the local authorities many headaches.

The story in Tenchung is different because it has many rich people. It is an open secret that if a rich person is conscripted for the armed service, he will employ a man in his place. They say: "Money is everything. A good man should not be a soldier and a piece of good iron should not be used as a nail." The price for a recruit is 1,000 to 2,000 silver dollars—the rate is now CNC$130,000 to CNC$135,000 for a silver dollar.

Paoshan hsien was bombed several times by the Japanese during the war and thousands of people were killed and others died of plague. Even now some of the destroyed houses have not been rebuilt in the city. Paoshan hsien was once the West Yunnan Branch Office of CNRRA; but it did nothing for the people since its establishment, because the cold-blooded officials in the office, stole and sold almost all the supplies and materials.

A lao pai hsing said that the people had only received several bowls of powdered milk mixed with flour, several feet of cloth and eaten free porridge several times. Hsu Soon-kiu, the director, was dismissed and taken to Nanking for punishment complying with the Paoshan People's accusation, but nobody yet knows the result.

Bandits' Treachery

With the exception of Tayao, Yaoan, Yenfong and Yeonsheng hsien, the bandits grow in number and help the poor in other hsien.

In comparison the situation in the south is somewhat different; there are a great number of bandits in Milo, Lusi, Luliang, Wenshan, Pingbian, Jinping, Shihping, Chienshui, Kuokui, Chiuchi, Malung, Lunan and Mentze hsien. The bandits, resisting the Government troops in Milo have attacked the city, destroyed the highway and an important large bridge between Milo and Lunan and cut off the telegraph wires leading to Kunming.

In Lusi, it is said the bandits, including the students and resigned teachers of the Provincial Lusi Normal School, have amalgamated with those of Milo. Luliang is reportedly declared to be under martial law since the opium planters of Ma Kai (Horse Street), more than 30 li from the city, under the command of Yang Tea-yuan, ex-Vice Speaker of Liliang Council, have built defense bastions and dug trenches to fight against the suppression soldiers.

In Guei Mountain Lunan, along the Indo-China Railway, thousands of tribes people have organized the "People's Anti-Conscription Army," and after fighting once with government soldiers, retreated into the woods. It is said that these tribes people are enthusiastic admirers of Li Kung-pu, who taught them before he was murdered in Kunming, July 11, 1946, and of General Chang Chung, who had become a Communist general in Harbin. (See "Yunnan Sinks Into Chaos In The Past Twelve Months" in the October 18, 1947 issue of the *Review*.) A rumor says that General Chang Chung has returned to his native place, Lusi, on a special mission.

Troops Surrender

Through a long difficult conversation between the representatives, the bandits of Pingbian and Jinping hsien received the surrender terms of the First Regiment of Provincial Peace Preservation Corp stationed in Mentze in the south. They stipulated that the Regiment would receive the bandits' surrender at Kuan Ing Rock.

However, at the appointed time, when Chang Chung-hsiang, Chief of the Regiment and a portion of his soldiers arrived, the bandits machine-gunned them, killing Chang, two captains and a number of soldiers. It is said Governor Lu Han is much grieved at their death.

Opium planting, bootlegging and smoking are still rampant in the west. And in most cases those who are in charge of the opium suppression in that area are the underplotters. Thus opium poppy blossoms in those mysterious places every year and those who are responsibile for checking the opium bootlegging do not do their duty but profit by their unlawfulness. A rough estimate is that one-third of the population in the west are opium smokers. A lao pai hsing asked me on my way back to Kunming, "How long will it take to drive the devil—opium—from this province?"

SECURITY

Schloss *Franco-American*

Tientsin TB Center Starts Needed Work

S. E. Shifrin

Tientsin.

FOUR young Chinese doctors trained during wartime in the Interior, and headed by a fifth, Dr. T. L. Kuo, are setting an example of how Chinese can help themselves. They are working in the clinic which they organized, the Tientsin Community Tuberculosis Center, situated on the corner of Liu-Chow and Tung-Kuan Roads.

Dr. Kuo, who started his fight against tuberculosis before the war when he was the Yenching University physician, was one of the main founders of the Center. As the Center's Superintendent he continues to guide and spark-plug its activities.

They haven't done it without foreign help. "We are a truly community center and get support from both Chinese and foreigners," Dr. Kuo says. He also gives due credit to all the organizations that have helped put the Center in business.

The equipment of this TB Center is unique for Tientsin, exceptional in China, and compares very favorably with institutions in the United States. To be exact, there are seven X-ray and fluoroscope units and one that can do only fluoroscopic work. Part of the X-ray equipment, films and supplies has come from the American Red Cross, UNRRA and the International Relief Committee. One 200-miliampere X-ray unit was donated by the ARC. Another belonged to the former British General Hospital. The Tientsin Municipal Government allotted the British Hospital premises to the Center.

A General Electric 100-miliampere X-ray unit had been ordered before Pearl Harbor with money contributed by Tientsin industrialists. As the freezing order came into effect at that time, the money remained in the American bank handling the purchase. Six years later, in November 1947, the present Center finally received its unit.

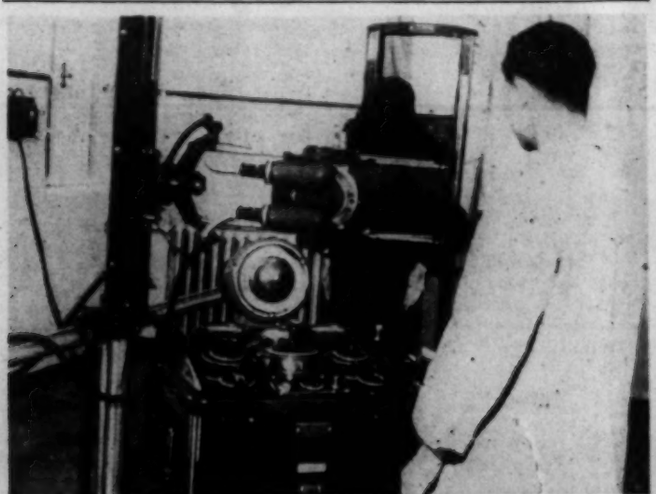
Mass Chest Survey X-Ray Unit operating in the Bank of Communications, Tientsin.

Preventive Work

The Center has come a long way since it opened in November 1947. The staff of the out-patient department has examined and treated over 6,500 patients, first and second visit, up to the end of April. The Center, by now a hospital recognized by the World Health Organization, has as one of its chief aims halting the spread of tuberculosis in a city where it estimates 100,000 residents, or one in every five, is infected with TB. In its attempt to stop the disease by treating patients in early, curable stages, the Center is doing case-finding work by taking mass miniature pictures. This is being done through the Mass Chest Survey.

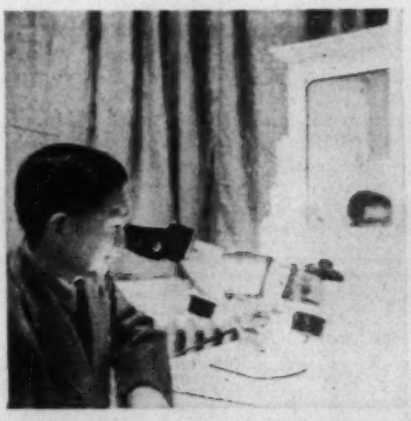
Before undertaking the work of the MCS, four of the Center's doctors were briefed in a course conducted by Dr. Irvin M. Lourie of the World Health Organization. This was followed by intensive training under one of China's experts on TB now residing in Peiping.

During the six months of the Survey's operation 15,254 cases have been examined. Seven thousand of the examinations were made by the Center's mobile team using a special X-ray unit. Made for installation in a mobile vehicle, which the Center does not possess, it has been taken apart, set up, taken apart and moved by truck—again and again. Packed in wooden boxes and protected against jolts by woolen blankets and paper, the X-ray unit has already been slightly damaged once. Too frequent movement by truck on unrepaired roads put it out of commission for a time.



American Red Cross donated 200 (miliampere) X-Ray unit with fluorophotographic attachment for 70 mm. film.

The Center's mobile unit has taken over 2,500 miniature X-ray pictures during April alone. It has operated in banks, schools, and offices and it is continuing its work. Tientsin factories and offices which are convinced of a need for examining their employees, can put in a request for a Mass Chest Survey by the Center if they meet the following requirements: Management has to undertake the responsibility for payment of expenses. On the basis of an expected five percent incidence of TB, arrangements must be made to take care of sick workers. Management must make provision for the payment of salaries and subsidies to TB cases. Workers having TB are to be kept on the payroll and helped along until they recover. In spite of these conditions, factory management here has been clamoring for the services of Mass Chest Survey.



Dr. T. L. Kuo viewing film with the 70 mm. stereocopic viewer.

The Center has been charging students 25 percent of X-ray examination costs. Workers, whose bills are paid by management, benefit from a 25 percent reduction in examination costs. Poor patients were being aided through the Center's Social Service Section by small grants in cash and in kind. Under the circumstances it was no wonder that the Center was in the red.

Industrial Cooperation

Tientsin industrial and business circles have met the Center more than half way. Large industrial and business enterprises represented on the Center's Board of Directors have made available a lump sum needed for repairing and renovating the premises and for initial operating expenses before the Center opened.

Since last November, the Board of Directors has been providing a monthly subsidy. Occasional, unsolicited contributions from Chinese and foreign sources helped. But the monthly deficit averaging up to

CNC$200,000,000 still has to be met. A request for assistance was screened by the US China Relief Mission and the Center's project has been approved. To date the Center has received CNC$700,000,000 in cash grants from the China Relief Mission. Proceeds from the ration sale of American rice and flour are being used to stop the spread of TB in Tientsin and provide free treatment for patients who cannot afford to pay.

Cramped in its present quarters the Tientsin Community TB Center can carry out only part of its plans. Surgical treatment and operations at the center are limited at present, and facilities for hospitalization consist only of a small 25-bed sanitorium which the Center runs. Dr. T. L. Kuo and his associates have plans for expanding the Center's work. Blueprints call for the construction of an eight-room Mass Chest Survey station able to handle 500 patients daily. Conducting all Mass Chest Survey work in the new Survey Section would make space available for a 25-bed surgical and active medical treatment ward. Dr. Kuo hopes to have the Survey Station completed by June and he believes that he can get the US China Relief Mission to approve a grant for the project. By the end of June he plans to have the surgical ward going. The 50 hospital beds will come out of a 150-bed set which the Center has just received from CNRRA.

As a long-range project, Dr. Kuo and his associates are working on plans for a 100-bed sanitorium. According to the Center's monthly report for January, the China Textile Industries Inc. in Tientsin is willing to help build the sanitorium, subject to the approval of its Shanghai Head Office.

If China accepts the offer made by the World Health Organization, the Center may yet come to realize another of its objectives—the use of B.C.G. vaccine as a preventative measure. After six months in operation the Center has still only scratched the surface. The need for its services grows as malnutrition spreads. Tientsin anti-tuberculosis work is just starting.

THE "NEW LOOK" IN WORLD POLITICS

Jacques Decaux

Special Correspondent, The China Weekly Review

Paris, (by airmail.)

IT is a strange world in which we live, in a world in which everything is so interrelated that the smallest reaction in the mind of one man may cause some kind of disturbance all over the world.

For example, take the case of Christian Dior, the French couturier. Last year he indulged in what was then considered an extravagance: he thought that ladies' skirts should be lowered from the knee to the ankle. Then as compensation to the interested male, he also lowered the neckline.

American publicity mills snatched up this innovation, and the story was carried overseas to the US where Mr. Dior's thought process became the "New Look." Parisian Mr. Dior's notions about fashion almost created a revolution in the US. Women assembled in "Anti-New Look" clubs; cartoonists lampooned new feminine contours and serious editorialists waxed humorous. And today, after all the furor, the US is fast converting to the "New Look." France accepted the idea, and after a few habit-forming months, found the new styles pleasant. London, the only place where tradition and bad taste are obstinately anchored, sticks to outdated dresses for ladies.

One may wonder why such a frivolous subject should engage the attention of a serious correspondent. As a matter of fact, there is a considerable moral in this fashion revolution which shook sentiments, esthetic feelings and financial dealings all over the world. In this postwar period, two great nations, the US and USSR, have emerged, leaving the rest of the nations in a state of semi-dependency on one or the other of them. Yet in spite of this, France still can dictate a trend to a large part of the human race.

After 1918 it was the tragedy of France that she believed more in the strength of her allies than in her own strength. Until 1940 she was fidgety, and a false sense of security debilitated her cultural activity. Then in 1945, the "New Look" appeared, and everybody jumped at the conclusion that France had completely lost her common sense; that esthetic nonsense was the real proof of a moral and economic downfall, just as unnecessary circles in graphology indicate a tendency to queerness. Then after some reflection and some wearing, it became clear that the "New Look" had much to recommend it. In the present fashion tendency we can observe what might be considered a barometer of the extent to which French influence, which has so dominated in Europe in the past, can still be delt in the world. It represents a kind of nostalgia for better times and a nostalgia for the soundness of mind ....the "bon sens.."..which helps settle the greatest political muddles.

"Bon Sens" Tested

This French "bon sens" has been put to the test in two different areas recently. First the French treatment of German prisoners has been so humane that today 140,000 Germans elected to remain in France on labor contracts instead of returning to their homeland. This is important not only because France is very short of manpower but also because better feeling must be created between Germany and France if there is to be any cooperation on the European level. And significantly, this winning of German prisoners is not a matter of lavish economic treatment, since France is too hard up for a policy which only the US could afford.

The second area is Italy. Of course, Italy stabbed France in the back in 1940, when Germany was victorious, and of course Italy shed fascism only when it became too dangerous because the Allies could retaliate. But politics and economics must be based on "bon sens." Simple reason shows that Italy must be a part of Western Europe, and that France must try to come to an understanding with Italy.

The outcome of the Italian elections has been termed a definite choice made by Italy for the West, as opposed to the East. Normally, the de Gasperi victory would have been, paradoxically enough, a major defeat for de Gaulle. If communism had won in Italy, de Gaulle might have won a quick victory in France as a strong reaction against communism. As it is, his anti-communism movement loses some of its raison d'etre.

And that led French Finance Minister Pleven to accentuate the necessity of a union between the Christian democratic government of Mr. Shuman and de Gaulle. It is felt that what might be called a de Gaulle dictatorship is no longer as necessary as it might have been two months ago. It also means that de Gaulle may win a number of his points (rewriting of the Constitution, for example) without having to use revolutionary strength, but simply by talking "bon sens" which every man of every party right of the socialist parties may understand and agree upon. That a middle-of-the-road tendency can be felt in a country which has been so full of political hatred the last few months, provides a cheerful prospect for cooperation in Europe.

To return once more to the New Look, now that we have seen it for a few months, the extravagance of it has disappeared, and we are aware that it is full of charm. In a small way, French common sense has won a victory. To many, this may not be significant; but to me it is a token that France is on its way toward helping build a saner Western world. This may all be wishful thinking; but one can't help remember the part played by France in the past, with the conclusion that as frivolous a victory as the new style of women's clothing, may mean a great deal more.

NANKING AREA RE-FORESTED

A Ministry Of Agriculture Report

WITH the aid of forestry experts of the Food and Agriculture Organization of the United Nations, the National Forestry Research Bureau has just completed an ambitious reforestation project on the hillsides around Nanking.

During the war and the Japanese occupation these slopes were almost denuded of woody vegetation and soil erosion has been making serious inroads. In an effort to check this erosion and to provide fuel in the future, more than 4,000,000 seedlings have been planted in the past month. The work of digging, packing and planting the seedlings was done for the most part by refugee laborers, paid from funds provided by the Executive Yuan Committee for American Relief Supplies and the China Relief Mission. Some 500 refugees were employed in the project.

Black locust, Chinese pine, tallow trees, bead trees, willows, winged nut and many other varieties were planted. In the opinion of FAO experts, who assisted in all stages of the planning and execution of the project, fully 90 percent of the seedlings should survive. Measures are being taken to protect the planted areas from grazing animals, fuel gatherers, fires, etc., with the result that in 10 years these trees should offer good cover, protection from erosion, conservation of water, and should tend to lessen flood water run-off. In addition they will provide material for fuel, lumber and other forest products.

Similar projects for other areas in China, but on a considerably larger scale, are in the planning stage and should be under way in the near future.

* * *

AS the reforestation practice indicates, the most suitable period for planting in Nanking areas is between February and March. This is especially true for pines and other conifers. In order to reduce the necessary delay between the assorting of seedlings and the field planting, preparation work such as inventorying the seedlings available for planting in various nurseries, making of working tools and arrangement for hiring refugee laborers were all started before receiving the funds. As soon as the funds were available the preparation of kitchen utensils, construction of temporary settlements for the laborers, packing and transportation of the seedlings and transportation of the refugee laborers to the reforestation regions were carried out.

The rainy, humid weather did not affect the scheduled-work, and on the contrary, reforestation activity reached a peak when 5,199,430 trees were planted, covering an area of 21,138 mou.

Mr. Ma Ta-pu, the head of the Department of Forestry, National Central University, and the students, participated in the reforestation work at Mu Fu Shan region, and the leaders of the 9th, 10th, and 13th counties and the local people assisted in making the full-scheduled work complete.

Number Of Trees Planted

It was originally planned that the reforestation area would be limited to the Ching Lung Shan and Mu Fu Shan regions and the number of trees to four million, covering an area of 13,000 mou. It was due to the ease of protection after the planting and the aid or convenience for working, that some changes have been made. The diligence of the laborers also increased the number of trees planted. For instance, in the Ching Lung Shan region, the planting was started from Tan'g Shan up, additional planting on the northern part of purple mountain and part of Tsou Koo Shan were worked out. Therefore, one million trees were added to the original number, and some additional 8,000 mou of land were covered.

Sources Of Seedlings

The extension Department of the Bureau purchased at its own expense 200,000 horsetail seedlings, from private nurseries at Chu Yung and 44,339 from a nursery of the National Central University. The rest of the 4,955,000 seedlings were supplied by the nurseries of the experimental stations of the Bureau, 469,083 out of 5,668,513 were damaged during transportation or by other reasons.

The efficiency of work depended mainly upon the weather, transportation, tree species, physical condition of the laborers, experience of planting and the nature of reforestation regions. By way of comparison, appreciable differences in the number of the conifers and broad-leaf species occurred as result of above mentioned reasons. The number of broad-leaf species was considerably less than conifer species, with a ratio of 4 to 1.

After removing from the nursery grounds the seedlings were tied in bundles and healed temporarily. They were then assorted and wrapped in straw ready for transportation to the fields, and put in shaded places, upon arrival. Laborers were given 50 to 100 seedlings each according to their ability for reforestation. Additional trees will be added in time of need.

Spacing was done before planting. For planting of horsetail pines, it was first necessary to break the soil and insert the seedlings and then press the soil around the seedlings, and for broad-leaf seedlings large holes were made before the actual planting.

Protection

Because of the scarcity of fuel wood, the destruction of forest trees has been constantly a pressure to the forest stands and the reforestation work. For instance, in Ho Ping Man to Mu Fu region, constant destructions were made by the soldiers and the local people living there.

The people in Mu Fu Shan region even made a living from such destruction. This will not only destroy the former planted trees but also disrupt the recent reforestation work. Besides, the horsetail and oriental arbor-vitae planted in Yien Tze Chi and Pai Tou Shan were destroyed by grazing animals.

In order to have a promising reforestation result three proposals are thus made for protection purposes:

	Regions for reforestation	Trees Species Planted	Numbers of trees planted	Area covered (mou)
1.	Ching Lung Shan (From Tan'g Shan to Fen Tau)	Horsetail pine, Japanese black, and Tung oil tree.	2,911,400	9,710
2.	Mu Fu Shan and Ten Tze Chi	Horsetail pine, Japanese black pine, oriental arbor-vitae, winged nut, Chinese tallow tree, black locust, bead tree, and Japanese pagoda tree.	1,617,539	9,066
3.	Ba Tou Shan	Same as (2).	304,500	1,015
4.	N. Purple Mountain to Tsou Ku Shan	Oaks, oriental arbor-vitae. horsetail pine, and other species like those indicated in (2).	367,921	1,027
5.	Pa Kua Chew*	White mulberry and Japanese pagoda tree.	48,500	320
		Total:	5,199,430	21,183

**These are on scattered areas and no map has been prepared.*

A. *Forest Protection Society*

Regulations for protection of forests should be re-enforced. The following points are worthwhile to be included:

1. In the first five years, only grasses and weeds may be used for fuels (not the wild shrubs).
2. In the second five years, wild-growing shrubs may be used, (not the conifers).
3. In the third five years, thinning of the branches will be allowed.

B. *Establishment of Forest Protection Police.*

Policemen may be disciplined by the Bureau and will be assigned to different regional stations to perform their function. At least 30 policemen will be needed. It is desirable to ask the Nanking Police Station to furnish the personnel. They should be well equipped and supported by the CRM funds.

C. *Posting of Orders for Forest Protection.*

Joint orders for forest protection prepared by the Ministry of Agriculture and Forestry and the Nanking Municipal Government will be posted in all reforested regions.

Six hundred refugee laborers were engaged in this work. 13,079 man days were required for lifting and assorting and transporting of the seedlings and 14,724 man days for the field reforestation. The refugees and their families were benefited by the project.

It was estimated that there are 200,000 mou of land near or around Nanking denuded of trees. This year one-tenth of the denuded area has been reforested. If successive nursery and reforestation projects are carried out, this work can be completed in approximately five years.

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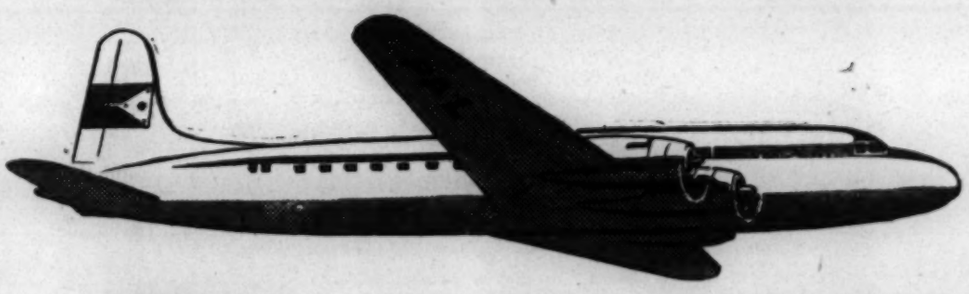

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Currency Reform Speculation Again Rife

J. R. Kaim

IN view of the many persistent rumors that currency reform is imminent and that silver coins have already been minted, it may be worthwhile mentioning that when the news appeared in local papers, not one of eight local bankers approached by this writer had obtained actual information. Asked whether they believed a currency reform possible under prevailing conditions, two said "I don't think so," while the six others pointed out, in different terms, that it might be possible if all precautions are taken. But just what such precautions are to consist of obviously depends on personal views and interpretations.

To begin with, it has been stated repeatedly that in essence the same three principles rule a silver standard which rule a gold standard; namely, free coinage, the possibility of converting paper currency to silver and the acceptance of silver as legal tender. It has also been stated that introduction of silver *coins* does not automatically indicate the establishment of a silver *standard*. Just as there is no genuine gold standard at present in any country, because no government at present guarantees to redeem its promises in gold, neither existence nor circulation of silver coins as such indicates a genuine silver standard. In fact, since the end of World War I, the gold-specie standard has been substituted by a gold-bullion standard, but at present regulations even in hard currency countries such as the United States and Switzerland show that all essential characteristics of a gold-bullion standard are also lacking.

Thus to speak of a "return to a silver standard" certainly is premature. Just as there exists no real gold standard anywhere there may be no "silver standard" in China after the minting and putting into circulation of silver coins. And, to make another point quite clear, as there exists no real gold price anywhere, the fluctuating gold price of silver cannot at present produce the same uncertainties as in pre-war years.

As official gold prices at present are fictitious, however, another question arises, namely, whether face value and metal value of the allegedly minted coins will be about the same, and what the two values will be based on. They certainly cannot be based on "gold" but only on a "gold currency", f.i. the US dollar.

What then did the abovementioned bankers mean when warning that only if all precautions are thought of can one hope to achieve a lasting currency reform?

One of the precautions considered necessary is the separation of extraordinary military expenditure from the general budget? Whether this is possible, none of the six financiers dared decide. Another precaution mentioned is that the silver value of the new coins must correspond to their face value or, at least, that the silver value in terms of a gold currency must not be below the face value. If not, the coins would be considered over-valued and after a short time would be dealt with not as a means of payment but—just as the old tael—as a commodity the value of which depends on its weight and market price.

A third precaution, it was explained, would be the importation of far bigger quantities of all essential materials than are permitted at present. For, currency stabilization would help little if anything when commodity prices continue to soar because of scarce stocks.

A fourth precaution would be to be sure of having enough bullion to respond to all redemption demands. No doubt, there would be a great demand at the beginning and, furthermore, the question is whether anti-Government quarters would not try to redeem CNC dollars they might have piled up for years. In other words, while the Communists cannot hope to redeem directly their own paper currency, they may possess unknown amounts of inflated Government money which in due time they might be able to change into silver coins.

Speaking about those and some other obstacles and handicaps, one of the Chinese bankers we approached made it clear that none of the aforementioned conditions contains a new perception. The shortcomings of silver are known. The present difficulties in establishing gold values, too, are known. The financial consequences of high commodity prices, of course, one is fully aware of. "I am pretty sure—the banker said—that if the news is right and a currency reform is in the making, the experts in Nanking as well as in Washington are well aware of all the difficulties they must overcome. They know as well as you and I that no currency reform can help so long as our export prices are too high and our trade balance remains unfavorable. They certainly acknowledge that no reform helps when the nation does not believe in the intrinsic value of its new money. And that means that trade must be reconstructed and the system of communications rebuilt—and all this, I presume, means that most of our present economic regulations, laws and restrictions are to be lifted".

He did not mention the Civil War. He took for granted that extraordinary military expenditure must be covered from sources not specified in the budget. Nor did he mention transport difficulties directly caused by the war. He was speaking of what he called the "artificial decrease in means of transportation" by excluding foreign bottoms from Chinese waters during a period of highest emergency. However, quite obviously he had his doubts whether such changes would be accepted by all quarters involved.

"Many people think that when a government can obtain a sufficient quantity of bullion, be it silver or gold, it can build up and safeguard the value of a new currency," another banker explained. But, of course, it is quite obvious that the bullion reserve is comparable only to the fundament of a high building. The fundament alone does not guarantee a stable building. If the stories are not constructed solidly, the best fundament may help little. The stories, in our example, are balanced budgets, balanced trade, competitive production costs which in turn depend upon sufficiently large imports and sufficiently developed means of transportation.

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We Want Japanese Textile Output Limited

Ben Y. Lee

TAKING a sharp upswing, Japan's export trade, particularly the cotton goods exports to Asiatic countries, is said to have already nearly regained its prewar level. That Japan is on her way back to the East Asia market which she once dominated and then lost is causing our textile manufacturers considerable worry. We are becoming increasingly apprehensive over the maghitude of the American program for rapid building up of Japanese textile industry and textile goods exports.

Among other things, it is reported that the United States will shortly give the Japanese a US$150,000,000 revolving fund with which to buy raw cotton and wool to be processed and sold principally in Asiatic markets and another US$60,000,000 revolving fund with which to purchase cotton and linters. This means 3,000 000 cotton spindles would be in operation, whereas Chinese textile manufacturers point out that 2,000,000 spindles are enough to clothe the Japanese people. The extra 1,000,000 spindles will be left for manufacturing export goods. Japan is not a cotton producing country and an over-developed cotton industry will constitute an economic threat to other countries, particularly China as it was before the war.

Cotton textiles come foremost on the list of Japanese exports and they will be likely to flood the Chinese market eventually, as they did in prewar years. Meanwhile, Chinese manufacturers are perturbed over consistent reports that large quantities of Japanese-made cotton textiles have been and are being smuggled into China ports. China is a market for the low-priced textiles that Japan can manufacture.

40,000 Spindles Per Month

At present, Japan can manufacture from 30,000 to 40,000 cotton spindles a month and will shortly export a million spindles abroad, India being a potential purchaser, while China does not have even one large-scale spindle making factory. Japan's cotton industry is still potential. Despite the shortage of funds and materials, she can easily increase her present 3,000,000 spindles to the SCAP-authorized 4,000,000 level. Japan's present monthly production of cloth is 60,000,000 square yards. China's textile industry has not yet fully recovered from heavy war damage. Should China allow cheap Japanese cotton goods to flood her market without taking some protective measure to safeguard herself, her weakened textile industry will be doomed to eventual collapse.

Cotton goods headed the list of exports from Japan for the first half of 1947, amounting to 42 percent of total exports. Accounting for 33.17 percent of total exports were shipments of cotton cloth and other textile goods to India, Great Britain, Turkey, Dutch East India, Burma, etc.

Textile Exports For First Half Of 1947

				Percent of total exports by value
1.	Raw silk	7,800 bales	.....	6
2.	Silk goods	2,069,800 yds.	.....	1.8
3.	Spun and filament rayon yarn	2,792,600 lbs.	.....	.5
4.	Spun and filament cloth	1,033,343 yds.	.....	.5
5.	Cotton cloth	163,378,575 yds.	.....	33
6.	Cotton yarn	15,287,800 lbs.	.....	6
7.	Woollen yarn	300,000 lbs.	.....	.6
8.	Woollen cloth	252,318 yds.	.....	.2

The above chart shows textile exports for the first half of 1947.

The following were the cotton cloth export quotas for 1947: (000 square yds.)

1.	Dutch East India	63,911
2.	Siam	24,039
3.	Burma	22.089
4.	Indo-China	17,783
5.	P.I.	12,680
6.	Malaya	11,747
7.	Hong Kong	3,511
8.	Borneo	3,043

The following show the production of cotton goods for 1948:

		cloth in 000 sq. yds.	yarn in bales
1.	Feb.	48,186	62,800 bales
2.		—	77,400 „
3.	Apr.	50,000	86,000 „

Under the five-year plan Japan will have 5,830,000 spindles in operation by 1952 compared with 8,000,000 spindles in 1930-34. Her leading exports in 1952 will be as follows: (figures in million lbs.)

1.	Cotton yarn	594
2.	Rayon yarn	140
3.	Wool yarn	40
4.	Staple fibre	42

The Japanese Government authorizes a plan to export 110,000,000 yards of dyed and bleached cotton cloth and 106,000,000 yards of printed cotton goods by September of this year. Textile circles are also preparing to export 4,000,000 yards of staple fibre cloth and 600,000 yards of linen piece goods.

Not only China but also India and Hongkong textile circles are alarmed over United States plans for rehabilitating the Japanese textile industry. Indian officials and representatives of other nations with interest in Far Eastern trade are becoming gravely concerned over the American program for Japanese restoration. Following the lead of the China and South Seas Economic Association, businessmen in Hongkong have joined in a movement to prevent the dumping of Japanese goods on the market. A meeting of textile manufacturers and economists in Hongkong was recently held wherein it was decided that a statement should be issued in different languages calling the attention of the world to the unfavorable influence on Far Eastern economic policies of the free flood of Japanese textile goods.

Apprehensive over the Japanese dumping, the Chinese Manufacturers Association has appealed to the Chinese in the South Sea ports to take effective measures to prevent the influx of cheap Japanese textile goods, which will damage Chinese export trade.

13 Million Spindles

Before the war, when Japan had 13,000,000 spindles, textile exports reached the peak of about 945,000,000 lbs. yearly. The ultimate building up of the Japanese textile industry to a maximum level of 4,000,000 spindles would provide 336,000,000 lbs. of yarn for domestic consumers. Exports of cotton textiles in 1947 had been planned at the rate of about 258,000,000 lbs. yearly.

Despite numerous handicaps Japan's cotton spinning industry is coming out of its tailspin and is slowly moving towards the 4,000,000 spindles goal. The following show the progress of the Japanese cotton industry during the past few years:

	yarn production in million lbs.	spindles in 000	looms
1935	1,424	10,648	332,564
6	1,442	12,139	341,930
7	1,586	12,165	362,604
8	1,020	11,728	350,529
9	1,042	11,593	380,124
40	824	11,343	392,937
1	575	11,435	393,291
2	261	8,646	358,895
3	172	4,166	203,840
4	102	3,592	148,785
5	43	2,713	136,061
6	128	2,632	135,031
7	266	3,670	172,000

Taking advantage of American economic aid, the Japanese Government is doing all it can to step up the rehabilitation of its textile industry. Private interests, however, are said to have been having difficulty in solving problems of shortage of funds and materials as well as the low productive capacity of spinning machinery makers.

Signs of the Japanese textile revival are seen with fear in China, yet Chinese textile manufacturers

are totally unable to compete with the Japanese on account of the high cost of their materials and labor, and the lack of power and transport facilities. Machinery in most Chinese mills is badly worn and it is almost impossible to get replacement parts. Labor is restless and ready to strike on the slightest pretext. How the Chinese Government is to check any raising of the Japanese textile industry above a level compatible with Chinese security is indeed a problem. Yet this must be done if China's textile industry is to survive Japanese competition.

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The Week's Business

DURING the week ending Wednesday, June 2, business was impressed by two new regulations, of which the export-import link system was one, and the new ruling on crossed checks the other.

Due to uncertainties prevailing with regard to the Export Certificate ruling, trading was extremely quiet on all sectors of the market. While prior to the new regulation the usual procedure was to buy commodities for CN currency by using a bank's packing credit and then to wait until increased official exchange rates would permit the shipping, businessmen last week were reluctant to move; further developments on the foreign exchange markets could not yet be foreseen and several details of the new regulations still were not clear enough.

Under such conditions, commodity prices in various lines were somewhat theoretical, for while buyers were reluctant to embark upon important business, sellers were still more reluctant to sell at prices which may be considered too low a week later. Market reports failed to indicate prices of wood oil, bristles and several other items.

The other regulation mentioned above, namely the ruling by the Government's financial authorities that crossed checks are to be considered practically non-existent before they are honored, also impressed the market and within a couple of days forced stock quotations down and the interest rate up.

With the money market getting tight and the open market interest rate increasing to around 30 percent —it had been down to 24 percent— business became slow. Stock markets, too, were impressed by the general tightness on the money market.

Commenting on the new regulations, businessmen explained that they do not expect any price declines on the commodity market. On the contrary, as foreign exchange obtainable for imports, apart from the five items mentioned in the regulation (rice, wheat, flour, cotton, fertilizers) now will entirely depend on the quantities exported and the values derived from such exports, prices may increase whereas import quantities may decline. While up to last week, The Central Bank allotted foreign exchange in accordance to import licences issued, it will in future be up to the importer to find the foreign exchange he needs for his cargo. Businessmen made it clear that while they consider the new system a general improvement, it does not correspond to suggestions submitted by various trade organizations, particularly the Importers & Exporters Guild. Quantities permitted for importation remain as much curtailed as before and prices of such goods may increase rather than decline.

Businessmen also expressed the view that when reports abroad had said that Shanghai market prices of imported goods occasionally are below their original F.O.B. prices, such statements were correct only when the calculation was made on the basis of local black rates. Now, with the new market rates (for Certificates) expected to come very close to previous black rates, no such favorable comparison is to be expected.

It goes without saying that with so important new rulings announced, business could not be "normal" during the week under review. Up to the time of writing no practical transaction in Certificates could yet be watched; the first actual transactions will turn up when new licences are issued. Licences issued by the Import Board on May 28 and 29 are to be handled in concert with previous regulations.

While it is generally expected that in future exporters will have better chances, much will depend on further price developments. Higher prices of export goods, it is explained, would be of lesser importance if the original export-import-linking plan would have been accepted which gave traders the possibility to cover losses suffered from exports by buying at cheap prices import cargoes abroad. As imports remain strictly limited, no such possibility is seen under the new ruling.

Quotations

Stock	May 26	June 2
	CNC$	CNC$
Wing On Tetxile	2,685	2,870
Mayar Silk	3,800	3,730
Commercial Press	750	750
Wing On Co.	650	650
Ewo Cotton	5,030,000	4,420,000
Bond C	236,000	262,000

Commodity	May 26	June 2
	CNC$	CNC$
White Rice, first	6,300,000	6,700,000
Wheat Flour	2,050,000	1,950,000
Peanut Oil	—	18,500,000
Raw "Silk "C"	500,000,000	500,000,000
Jap. Rayon	387,000,000	387,000,000
Cot. Yn. (42)	305,000,000	302,000,000
Cot. Yn. (20)	204,000,000	194,000,000
Caustic Soda	155,000,000	155,000,000
Koo Pan Soap	7,000,000	7,030,000

NEWS OF THE WEEK

Student Agitation Causes Concern; US Said Ready To Negotiate

AFTER protracted delays caused by troublesome negotiations, Dr. Wong Wen-hao's cabinet list was made public May 31. Key ministers of the cabinet are as follows:

Deputy Premier, Ku Meng-yu
Minister of National Defense, General Ho Ying-chin
Minister of Finance, Wang Yun-wu
Minister of Foreign Affairs, Wang Shih-chieh
Minister of Interior, Chang Li-sheng
Minister of Education, Chu Chia-hua
Minister of Communications, Yu Ta-wei

At the time of writing, the Young China Party and the Democratic Socialists still refused to take part in the cabinet although Dr. Wong has reserved the ministries of Industry and Commerce and of Agriculture and Forestry for the Young China Party.

Many legislators are reported to feel bitterly disappointed, pointing out that there is no new blood in the new cabinet. One legislator said: "An analysis of the composition of the cabinet will disclose that nearly all faces are familiar. If these people have failed miserably in the past, what can be expected of them in the future?"

General Ho Ying-chin's appointment as Minister of National Defense was welcomed in military circles as the final indication of President Chiang Kai-shek's determination to conclude the civil war as soon as possible. But it remains to be seen what the general is going to do about the present critical military situation.

* * *

Morale-boosting

IN an interview with the *Associated Press*, the new Minister of National Defense said that the first step in defeating the Reds lies in nourishing the Government armies back to health. According to him, "hungry, poorly-clothed men cannot fight. We must fill their stomachs and give them decent clothes if we expect to win the hard fight which is ahead of us." The general said he had no illusion that his job would be an easy one. He hedged at announcing a time-table for victory over the Communists in China, saying his first task would be to revive morale of the Nationalist armies "from the top generals down to the lowest private."

The reforms the new Minister of National Defense is going to put into practice include rebuilding morale by better treatment, better food and clothing and improved training; decentralizing authority by giving field commanders fullest responsibility and handing down prompt punishment or rewards; ending the practice of making appointments as the result of political influence rather than ability and giving rapid promotion to able commanders.

For some time, foreign military observers have pointed out that the sagging morale of the government troops presents a very serious problem and something must be done about it, if the situation is to be saved. An *AP* story dated May 27 from Nanking warned: "The advance of these rebel forces in considerable strength comes at a moment when observers say President Chiang Kai-shek's generals are facing a near military crisis built on their soldiers' loss of the will to resist. There have been grave indications recently that Nationalist troops in widely separated sectors have surrendered en masse rather than engage attacking Red forces. How general and how deep this loss of fighting spirit has penetrated the government's ranks is a question whose answer may determine whether the new Communist offensive can be stopped."

* * *

Student Agitation

ONCE more, there is a general uproar on the student front. During the past two weeks, there has been a nation-wide student movement to protest United States policy of "building up Japan" at the expense of China. Student groups in Peiping, Nanking, Shanghai and elsewhere held demonstrations and discussion meetings to air their views.

Two typical illustrations are furnished by a public opinion poll in Shanghai and a student meeting in Peiping. According to the *China Press*, the students of St. John's University recently conducted a poll on American aid to Japan. The query was: "Do you think the American aid will result in another Japanese invasion of China?" The result was 860 out of 940 students answered in the affirmative. To a second question: "Who will be the chief supporter of Japanese aggression?" 930 students replied: "American reactionaries." The third question was: "What is the American aim in supporting the revival of Japan? — (A) American self-interest? (B) True interest in Japanese welfare? (C) An anti-Soviet movement?" A total of 726 students answered it is American self-interest and intention to seize the Far Eastern markets that started her on this policy. To the fourth question: "What do you think will be the most effective step to check the revival of Japanese aggression?" 882 students replied that the best way to check the possibility of a Japanese resurrection is to start an organized opposition to American aid to Japan.

In Peiping 3,000 students from nine universities attended an "orderly" meeting on May 30 to protest against American policy toward Japan. A placard showed General MacArthur sitting on the shoulders of a Japanese militarist who in turn was borne by a Chinese peasant. Cartoons showed the American general asking a Chinese militarist, "Is it all right to kill your people and rape your girls? Is it all right to sell American and Japanese goods in China?" The Chinese militarist answered "yes" and got a handout for "rebel suppression."

The Peiping students also sent a telegram to General MacArthur, saying "Under your support Japan again is on the road to Fascism. Your actions contrary to the Potsdam decisions represent a betrayal of the Allied nations. All Chinese oppose your policy. We Chinese will unite and concentrate our strength to safeguard the independence and security of the Chinese nation."

* * *

Professor's Voice

A GROUP of 338 professors of the various universities in Shanghai made a direct appeal to President Harry S. Truman and Secretary of State General George C. Marshall to stop aiding Japan and to help build up China as a stabilizing factor in the Far East. According to the *Shanghai Evening Post*, the professors are believed to have decided upon sending the appeal in order to impress the United States that while the recent anti-American agitations among student groups might be Communist-inspired, they also feel concerned over American policy in Japan. It is also believed that the professors decided on issuing the message in order to divert the current student movement from being generally anti-American and anti-Government to being specifically directed at certain phases of American policy in Japan, while at the same time, stressing the traditional Sino-American friendship."

The appeal emphasized that the Chinese people eagerly seek to be friends of the American people but deplored that the United States often failed to observe thoroughly the Far Eastern situation. The professors warned that if the present policy continues in Japan repetition of the Pearl Harbor "sneak attack" could be expected.

Another Angle

Many American-educated scholars and government leaders did not share

the students' concern over US policy in Japan. Dr. Hu Shih, former Chinese ambassador in Washington and now president of the National Peiping University, dismissed as "hypersensitive and neurotic" the fears that the United States is rebuilding Japan into an aggressive power. In the opinion of Dr. Hu, part of Japan's industry must be restored since 80,000,000 Japanese cannot subside on agriculture alone and the Japanese, once deprived of a livelihood, would likely accept Communism. He stressed that America would never countenance rearming Japan into an aggressive power.

Sharing the same view, Mr. Pan Kung-chan, chairman of the Shanghai City Council in a statement urged his fellow countrymen not to blame the United States for their nation's troubles and called upon them to band together in an effective and all-out anti-Communist drive, so that China, united and at peace, can take its rightful place as the stabilizing factor in the Far East. Commenting on the present student agitation, Mr. Pan charged that the same Communist rebels who have been responsible for lowering China's international standing as a Far Eastern power, are maneuvering the campaigns into anti-American channels. He implied that the majority of the Chinese people are against the present attempts to stir up anti-American sentiment and charged that the current campaign is a deliberate attempt by the Reds to incite bad feelings between the American and the Chinese people. The civic leader urged that United States aid to China be increased and strengthened so that China can achieve a degree of economic and political stability for the general welfare of world peace.

* * *

Counter-Protest

AMERICAN authorities took a serious view of the anti-American agitation among Chinese students. American Consul-General John M. Cabot sharply reproved Chinese students for participating in anti-American demonstrations. Addressing the Memorial Day Service in Shanghai on May 30, Mr. Cabot did a bit of plain speaking.

"Unhappily, Chinese students who might as well be here with us today are instead participating in anti-American demonstrations, misled by the sinister propaganda of another tyranny. Their leaders come from a great university largely supported by contributions from the United States. They have been led to believe that we are rearming Japan. They do not realize that we have left Japan not a single combatant ship, not a single tank or airplane, not a single man in her once arrogant army and navy—that today Japan has nothing more formidable than a few unarmed patrol boats and some police rifles....They think that Japan will again attack China, but they forget the imperialism which today holds China's richest provinces in its clutches.

"They think that Americans are motivated by self-interest, but they forget the sacrifices which every home in the United States is making to help their country and the many other countries in the world which need aid....They believe that, to check the revival of Japanese aggression they should organize people all over China for concerted action to oppose American imperialism."

Then, the consul-general warned Chinese students of possible serious consequences of their anti-American agitation. "Many will bitterly retort that students getting their education through the beneficence of Americans who have contributed their mites to knowledge and understanding—students whose very food depends upon the labor of the American farmer and the generosity of the American taxpayer—should not spread calumnies against the United States. There will be passionate demands that we should stop our aid program and leave China to her own devices."

However, Mr. Cabot concluded that "toward the Chinese students who have lent themselves to this misguided campaign we must feel no malice but charity. They mean no evil. We must forgive them, for they know not what they do. Others have taken advantage alike of their fears and their finest impulses."

* * *

Good Progress

IN the midst of this protest and counter-protest campaign, it was interesting to note United States Army Under-Secretary William Draper report that Japan has made a good start along the road to economic recovery, although the journey will long and hard. In an exclusive interview with *AP*, Draper expressed approval of Japan's five-year plan, saying that "they are on the right track but it remains to be seen if they can accomplish their goal." Commenting upon American aid for Japan, the Under-Secretary revealed: "The Army has asked Congress for US$675,000,000 for aid to Japan during the year beginning July 1. We hope to get it before the legislators adjourn next month. Congress has given us what we have asked for thus far."

The proposed US$675,000,000, it is revealed, will be devided as follows: relief US$400,000,000, industrial recovery US$15,000,000, Japan's estimated share of revolving fund to finance raw fibres for occupied areas US$100,000,000 and miscellaneous US$25,000,000.

In addition to this Army-proposed aid, there is a commercial bank loan of US$60,000,000 for financing cotton shipments to Japan.

It is further disclosed that Korea and the Ryukuyu islands also are included in American plan for the year beginning next July. A budget of US$100,000,000 for Korean relief has been proposed to Congress by the Army. The State Department is working on a US$75,000,000 reconstruction program in addition.

US To Negotiate

THE belief is growing in well-informed quarters in Washington that that the United States is not prepared to leave American-Soviet relations in their present tense and stalemated condition, but will soon attempt to open negotiations with Russia on a few minor issues to test the possibility of "bigger things to come."

It seems that the Kremlin's peace offensive has greatly embarrassed Washington, and the reported readiness of the United States to negotiate with the Russians on minor issues is regarded by political observers as an American attempt to steal the Russian thunder.

Addressing the General Federation of Women's Club in Portland on May 28, Secretary Marshall warned the United States that the people of Europe are plagued by "the constant fear that we cannot be depended upon, that we will change our minds, that we will turn from a formally adopted policy like the European Recovery Program without notice and without regard to the devastating effect of such vacillation."

The Secretary of State asserted that the specific purpose of the recent statements by Molotov and Stalin was to "gain a propaganda advantage in order to mislead the American public, in fact the world public, as to the sincerity of their desire to reach an understanding.... The methods of modern totalitarian propaganda is to twist, pervert and confuse and to create an impression which may not in any way represent the true situation or the possibilities for successful action."

Secretary Marshall disclosed that there existed in the United States "an overwhelming demand for some agreement to wipe out fear of war and to bring about a return to normal conditions and, therefore strong resentment of any statement or lack of action that appears contrary to the fulfilment of that desire." He hastened to assure the Americans "I am sure that no one's desire is greater than mine to find a basis for peaceful security and a return of general prosperity to the world. But it is my official duty to see that this country is not misled by its emotions into commitments or actions which would threaten our future."

* * *

Rhee Elected

SYNGMAN Rhee, 73-year-old anti-Communist Korean leader was elected chairman of the Korean Assembly May 31. In his acceptance speech, Rhee declared that the government which he is going to form will have sovereignty over all of Korea, including the Soviet-occupied zone in the north. Outlining his government program, Rhee said that the United States troops should remain in South Korea until the Koreans form an army able to defend themselves. He further stressed that even after the departure of American troops American technicians should remain to advise the country especially on economic matters.

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B-Complex In Human Nutrition

Research Department Of

VITAMINERALS, INC. 3636 Beverly Blvd., Los Angeles, California, U.S.A.

The vitamin B-complex is well named. Complex, it certainly is. To date, biochemists have found about twenty different vitamin factors in this amazing nutrient, and it is almost a foregone conclusion that, in the future, still more factors will be discovered.

We are more or less familiar with those B-factors which have been identified, and isolated, and which are now available, commercially, i.e., B1, G (B2 or riboflavin), B6, niacin, pantothenic acid, choline, pare-eminobensoic acid (paba), inositol, biotin and folic acid. But in addition to this sizable list of B-vitamins, biochemists know of many more which remain to be isolated, produced commercially, and investigated clinically. These are B3, B4, B5, B7, and vitamins J, L1, L2, M, U, and W.

Just a few weeks ago, it was announced in scientific journals, that vitamin B12 had been isolated and produced in very small quantities and, clinically, it had been discovered that it was 100 times more potent than liver extract in the treatment of pernicious anemia. It will be many months, of course, before B12 is available commercially, but this is an example of the apparently almost inexhaustible richness of the B-complex. Today, no one knows what particular benefit the still "hidden" factors of the B-complex may bring to mankind. As each new factor is revealed, clinicians discover its importance. One of the latest factors to be revealed, for example, is choline which we now understand is of inestimable value in prevention of fatty degeneration of the liver.

The entire B-complex is found in every carbohydrate plant on the face of the earth and, to use a figure of speech, it is the "ethyl" which enables man to burn up or consume (metabolise) his carbohydrate food-fuel efficiently—without harmful by-products. For carbohydrates robbed of their B-vitamins are definitely harmful. These B-vitamins are necessary. They prevent the accumulation of pyruvic acid, a toxic by-product of the improper utilization of carbohydrate food.

Always, in carbohydrate plants, *the entire B-complex is present.* Never do we find only one, or two, or more of the B factors, but always the complex in its entirety. This is of great significance, at least to those who believe that man does beat when he follows in nature's path.

But yet, the American diet is composed largely of devitalized carbohydrate: cereal grains and sugars, and processed fats, all of which are deficient in the vitamin B-complex, notably B1, as a result of refining processes. It is estimated, for instance, that 75 percent of the natural content of B1, alone, is lost in milling processes. And of the meat, only pork (loin) is dependable source of this vitamin.

This condition has become rather widely publicized, and while it is true that there have been efforts to correct this nationwide nutritional deficiency, such attempts remain unimpressive. Governmental authorities order bread stuffs fortified but with only a small part of the vitamin B-complex, and these factors are synthetic. The public swallow tablets of "straight" vitamin B1, only one of approximately 20 known B-complex factors, by the millions, and wonder why they don't benefit. Opportunistic manufacturers put three or four synthetic B-factors together and call the result a B-complex preparation.

Qualified, scientific men know better. Dr. Walter Eddy says that "in view of the fact that the B-complex consists of several vitamins, and that deficiencies are multiple, B-complex preparations should include all factors, and natural sources such as yeast, liver, wheat germ, etc., or their extracts." Dr. Henry Borsock, of the California Institute of Technology, says that the "whole B-complex is superior therapeutically to any one faction."

Granting, only for the sake of argument, that a deficiency of vitamin B1, as an example, might be responsible for a specific disease, what possible use is there in correcting this condition when we know that other conditions will be present as a result of a deficiency of the entire vitamin B-complex? It doesn't take a Sherlock Holmes to deduce that there can't possibly be such a thing as a deficiency of a single B factor.

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For these reasons we are listing, below, the conditions that may result from a deficiency of the entire vitamin B-complex, and which may be corrected by B-complex therapy, providing that the product used is correctly formulated to include all possible B-factors, known and unknown, through the use of natural sources.

SIGNS AND SYMPTOMS OF VITAMIN B-COMPLEX DEFICIENCY

Alopecia: (loss of hair)
Anemia
Anorexia: (loss of appetite)
Atony: (muscle cramps and pains)
Backache
Bradycardia
Cardiovascular disease: (heart and blood vessels)
Catabolism: (disintegration of living cells)
Cataract
Cheilosis: (inflammation of lips and corners of mouth)
Constipation: (decreased peristalsis)
Diarrhea
Dermatitis: (dryness of skin; horny, tough, shedding; abscesses; eruptions of nasal mucosa.)
Degeneration of thymus gland
Digestive disturbances: (nausea, vomiting)
Dysfunction of adrenals
Dyspnea: (shortness of breath)
Edema of legs: (grossly abnormal amount of fliud in intercellular tissue.)
Enlargement of spleen
Fatigue
Fatty degeneration of the liver
Glossitis: (inflammation of tongue)
Granulation of eyelids
Headache
Hemorrhagic degeneration of kidneys
Impaired reproductive function
Inanition: (improper assimilation of food)
Insomnia
Loss of weight
Muscle incoordination
Nervous disturbances
Neurasthenia: (a sense of weakness, excessive sweating, excessive secretion and discharge of urine (polyuria), ringing of ears (tinnitus). Numerous constantly varying aches and pains).
Numbness of hands and feet
Pallor of skin
Photophobia: (light sensitivity)
Poor lactation
Slow heart beat
Vincent's disease: (Trench mouth)

It will be seen that the deficiency diseases resulting from an insufficient B-complex intake are many. And it is a *complex of symptoms* which develop when we are deficient in this nutrient. This is a condition calling for every B-factor, not just for single doses of B1, or B2, or niacin, or any other single factor. That sort of so-called therapy can create a dangerous imbalance and actually lead to a worse condition than the original deficiency state. This has been conclusively demonstrated in experiments conducted by Dr. A. F. Morgan, University of California. Nor will the "bobtailed" types of preparations, misnamed B-complex and containing three or four synthetic factors prove effective. Those hidden B-complex factors, B3, B4, B5, B7, etc., over 10 in all, that we know of now, and with more to be discovered, simply cannot be ignored, therapeutically.

It is only a vitamin B-complex formula, then, which includes natural B-complex substances to which we can look for maximum results. Vitaminerals No. 2BG and 2BG (plus) more than meet the strict scientific specifications for a true B-complex formula. They contain not only yeast, grain, and liver, but the famous Vitaminerals natural base, comprising approximately twenty different natural sources, rich in the vitamins and minerals. And, here in our "hidden values", are the hidden but essential B-complex factors, not so commonly known—all of them.

But just as all of the B-vitamins are dependent upon one another, so other vitamins and the B-factors are interrelated too. We haven't been satisfied to research, and formulate a 100 percent true B-complex product, but, as you know, Vitaminerals' formulae include all other vitamin factors, as supportive and assimilating adjuncts.

VITAMINERALS formula is producing *results* because it reflects *the sum-total of all authoritative knowledge of the vitamin B-complex.* The doctor has confidence in the scientists working in biochemistry, and in the field of nutrition, and he cannot help but give his enthusiastic approval to our 2BG and 2BG(plus). For you can easily prove that these products are in fact, the embodiment of scientific findings. All Vitaminerals products are derived from natural sources.

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US Magazine Roundup

Pacific Affairs

IN the March 1948 issue of *Pacific Affairs*, published quarterly by the Institute of Pacific Relations, Li An-che deals with the future of China in the scholarly manner of the social scientist in his article entitled, "China: A Fundamental Approach."

"We cannot expect to understand China, or any transitional culture, without having first studied the development of her society," the author says, "nor can we gain a perspective until long-term, systematic studies of all of the representative types of (Chinese) communities have been completed by social scientists working in collaboration with physical scientists. Once acquired, this perspective will enable those concerned with national reconstruction to distinguish and choose between alternative ways of procedure....

"Various misconceptions, entertained by Chinese as well as foreign observers, have obstructed an understanding of China. Many Chinese, revering the Golden Age, have condemned whatever tended to dull their conception of this ideal. Other Chinese, mostly young intellectuals, have placed their faith in a future utopia, without understanding the casual relationship between the past, the present and the future. Since the Golden Age has passed, and the future cannot be made secure without strict attention to the present, both of these Chinese attitudes have been ineffectual in advancing national reconstruction."

Stating that the foreigners have generally been more objective because of their detachment, Mr. Li blames on this very detachment a lack of appreciation of the aspirations of the Chinese people. Of the Old China Hands, he says, "They knew a great deal about the China of the past or about China on the verge of social disintegration as a result of the contact with imported industrialism; but of China's aspirations they knew nothing....Another source of misunderstanding of China has been provided by those (foreigners) who....have plunged headlong into affairs in which (they), just because they are foreigners, can hardly mix without handicapping indigenous initiative and antagonizing their intended beneficiaries. China does need help. But to understand how international collaboration can be effective in building a new China, one must first know something about the present situation of China.

"Traditional China includes both a dominant and a secondary culture. The dominant culture was embodied in village-town communities and in a behavior pattern based on the principle of kinship....Even though the political state was long in existence, it never came of age in the modern sense. That was its weakness; the Chinese were known proverbially as being 'loose as sand.' This very looseness fixed the character of the autonomous local democracy. There was little or no conflict between the family and the state, for it was the function of the state to protect the family. Chinese were basically members of a family, not full-fledged citizens of a state. Thus, they idealized the nation as a whole, and, because they were not organically united in nationality, they could indulge themselves, in the same abstract terms, in thoughts of internationalism....

"The secondary culture of China prevails on the frontiers....Any region in China that has not been developed to the level of intensive agriculture is a frontier....The two cultures (the village-town and the frontier cultures) should have been fused to form a single cultural entity. Instead, ineffective efforts were made to unify the two by making the one into the other....

"Before the opening of China to foreign trade, agriculture and the kinship principle were all-sufficient to the dominant culture. Since the entrance of Western capitalism, however, Chinese agriculture has been in a state of crisis. The products of native handicrafts could not compete with imported manufactures nor with the output of domestic factories controlled by foreign capitalists....At the same time, areas of secondary culture remained undeveloped, or were even more neglected than before, because of the progressive weakness of the dominant culture....Indeed, in the realm of international power politics they have proved to be prime areas of contention.... Without further development beyond the level of small-scale agriculture and the kinship principle, China could not be modernized; unless modernized, she could not aspire to become a respected member of the family of nations....If the problem of the Western world is how to develop the social sciences in step with the technological advancement of the physical sciences, in order to control the latter instead of being controlled by them, China's problem is how to develop both at the same time, without losing the humanistic elements characteristic of her pre-industrial culture."

The author admits that the problem thus posed is a difficult one to which there is no easy solution. "Because of the country's vast size, successful cultural synthesis in China must be preceded by systematic regional studies. In one culture these will concern village-town communities, and in another tribal groupings around a monastery or a chieftain....Because of the complexity of China's problem, field work in China should prove to be an acid test of the value of the sciences, the social and the physical working together. China and her scientists have a distinctive contribution to make to the world today. The wonder is that attention has not before been drawn to this fundamental approach, which is certainly more interesting and challenging than mere indulgence in political bickering."

* * *

Newsweek

"A Japanese Puppet Army? The Dangers Would Be Too Great" declares Compton Pakenham, chief of the Tokyo bureau of *Newsweek* in the April 5 issue. Mr. Pakenham was instructed by *Newsweek* to give his estimate of this controversial and potentially dangerous question in view of the public echoes of the "very informal talk" among some Washington officials that it might be better to rearm Japan to a limited extent under strict American supervision than to totally disarm her as planned.

The author asserts: "Aside from the international complexities involved, the first question is whether it would be practical to raise what would amount to a Japanese puppet army. Enlistment would be a simple matter....in a country as regimented as Japan....but beyond that loom endless complexities and dangers. The stupendous task of training and leadership would devolve entirely on the US. The Old Japanese officers could not be used except in advisory capacities, and then only in very few cases. Japanese require idols and lack leadership. The training of a corps of American officers capable and qualified to mold and train the Japanese peasant without recourse to interpreters and middleman would be a staggering job.

"The greatest danger lies in the fact that there are thousands of the jingo 'young officer' group still about, earning precarious livings under purge, hoping against hope for just such an eventuality. It would be impossible to keep them or their influence out of the ranks.... Whatever the purpose of their service, the loyalty of these 'young officers' would remain with Japan and other Japanese, for we would still be dealing with the generation ingrained with nationalism and expansion and a willingness to die for the emperor. The result might be a resurgence of the very spirit we have tried to squelch, and with it an education in the very things Japanese officers most want to know—the methods by which their 'invincible machine' was defeated.

The Review's English Lesson—XXXIV

IN Lesson 31 we gave you a quotation from Sir John Harrington and asked you to write and send us your translation of it. In today's Lesson we give you the meaning of the quotation:

Successful and fortunate crime is called virtue.

* * *

THE meanings of the words "back" and "come" as used in last week's test are as follows:

1. He has **paid back** (repaid) what he owed me.
2. What is the fare to Nanking and **back?** (What is the round trip fare to Nanking?
3. I will **back** (bet) my horse against all the others.
4. The village **is backed** by mountains. (The village has mountains in the background).
5. The horse **has backed into** (walked into, back first) the hedge.
6. He made a bargain with me, but he is trying to **back out of it** (withdraw from his agreement).
7. You will be wiser **in time to come** (in the future).
8. How did it **come about** (happen)?
9. I **came across** (met) him while I was traveling.
10. How did you **come by** (get) this money?
11. The parcel **came** by rail (was transported by a railroad train), not by post.
12. Rice **came down** (the price was lower) yesterday.
13. These people, judging from their dress and manners, have **come down in the world** (have been reduced to a lower economic and/or social group).
14. When did the fashion of wearing long dresses **come in** (begin)?
15. He has **come in for a good deal of property** (inherited much property) through the death of his uncle.

* * *

THE words and phrases given below are taken from the *REVIEW* of May 29, 1948:

"From time to time" (page 393, paragraph 1)—occasionally or periodically.

"Freshly in mind" (page 393, paragraph 2)—not forgotten, but vividly remembered.

"to shake off" (page 393, paragraph 3)—to get rid of.

"pilot plant operation" (page 395, paragraph 6)—an initial operation that can be used as a model in later plans. The planners can perceive the good and bad points of an operation from the "pilot plant" and be guided by it.

"palming off" (page 395, paragraph 6)—to pass on to someone by fraud or trickery an unwanted thing. Probably derives from the fact that a magician can trick an unsuspecting person by concealing something in the palm of his hand and pass it to him without the victim understanding the process.

"vested interests" (page 396, paragraph 5)—Particular persons or groups that have complete rights in certain areas (industry, government, etc.). "Vested interests" have usually arrived at that stage of development over a long period of time and are very powerful. For example, the Roman Catholic Church can be called a "vested interest."

"saddled with the political trappings" (page 396, paragraph 9)—weighted down with political decorations or ornaments (decorations is used in a satirical or sarcastic way; the writer does not really mean "decorations" as usually understood, but means unattractive or bad features of).

* * *

THE quotation for this week is from William Shakespeare's play, "Julius Caesar," Act II:

* * *

"Cowards die many times before their deaths;
The valiant never taste of death but once.
Of all the wonders that I yet have heard,
It seems to me most strange that men should fear;
Seeing that death, a necessary end,
Will come when it will come."

* * *

THE test given below is to improve your knowledge of pronouns. Fill in each blank with "who" or "whom." The answers will be given next week.

1. .....are the people.....have rented the house next door?
2. We have not learned.....they are.
3. .....shall we elect as chairman?
4. I addressed the letter to the person..... you mentioned.
5. The coach asked him.....he was.
6. .....is to be the principal speaker?
7. The old guide,.....I had forgotten, greeted me warmly.
8. .....do you wish to see?
9. .....did you suppose my brother to be?
10. Are you the girl.....my sister knew at college?

What Chinese Papers Say

THE mounting student agitation and the formation of a new "Cabinet" headed by Dr. Wong Wen-hao were copiously commented upon in the Chinese press last week. The "Draper Plan" is regarded as indicating a new phase in United States policy with regard to Japan.

* * *

Student Agitation

THE *Chien Hsin Jih Pao* argued that both the Government and the students were to blame for present student disturbances. After pointing out that in their celebration of the May 20 Incident, Nanking's students under cover of protesting American policy of building up Japan actually did much to insult the Constitution and the head of the State. "Both the Government and the educational authorities should examine themselves. They must understand that such things could happen only when the prestige of the government was on the ebb. Can the problem be solved by issuing sharp-worded statements by the security authorities?

"Those students who were responsible for this disturbance are really too disappointing. It is reported that they voiced violent opposition to the United States program of bringing about Japan's recovery. This is an international issue. Today, the world situation is exceedingly complex as the result of the struggle between the leading powers. The students' dissatisfaction with the existing state of things deserves our sympathy. But the students should seek to arm themselves intellectually and morally if they are to be able to do their share. Some people have accused them of being 'professional students'. What a shameful term this is! They surrounded a Kuomintang agency, but they failed to utter a single word of reproach against the Chinese Communists, who are helping carry out Soviet foreign policy and who are destroying their own nation . . .

"If the government authorities in charge of educational affairs still have the national interests at heart, they should make a serious effort to improve the conditions of the educational institutions. If the young students can behave themselves and if they love themselves they should put a stop to all their nonsense. If a small number of students are professional trouble-makers, then the majority of the students who want to pursue their studies should raise their voice to demand stability."

The *Lih Pao* expressed regret that the government authorities failed to tackle the problem of student agitation and unrest at the root, "Those who are handling student unrest today were leaders of student trouble in the past," the paper wrote, "but the government authorities, and especially the educational authorities have never been willing to try to understand the students objectively. They have never taken the trouble to analyze the causes for the student unrest. They just blamed or even punished the students.

"We don't deny there are 'professional students' among the students. However, it must be understood that the vast majority of the students are pure-minded and honest. How is it they have been willing to be utilized by the Communists to create disturbances and to participate in anti-Government movements?

"Student unrest is due chiefly to political and economic factors. A revolutionary party and a revolutionary government should do its best to remove these factors.

"Constitutional government is now operating in this country. Education has a great deal to do with shaping our national destiny in the next century. We must carry out the provisions of the Constitution concerning education and culture. Besides, a progressive educational policy should be adopted and put into operation . . ."

* * *

New Cabinet

HAILING the appointment of Dr. Wong Wen-hao as president of the new Executive Yuan, the *Chung Hwo Shih Pao*, official organ of the Young China Party, took the occasion to state its expectations.

"First, there must be a new way of doing things in connection with administration. Secondly, we hope the new Cabinet will be able to stabilize currency and commodity prices and balance the government's budget and international payments. Thirdly, in the diplomatic field, we must seek to ease the tense relations between this country and Soviet Russia and should even act as a bridge of cooperation between Washington and Moscow. As regards our policy toward Japan, we must act in concert with Britain, Soviet Russia and Australia in strongly opposing the so-called Draper Plan so that Japan will not be able to threaten the peace in the Far East again."

The *Shun Pao* paid high tribute to Dr. Wong, who, although a leading member of the Central Executive Committee of the Kuomintang, is a liberal in the eyes of the people.

"Dr. Wong is, of course, a man who cherishes thoughts and aspirations out of the common, who is far-sighted and who can get things done . . . The appointment of Dr. Wong to this difficult post should be able to meet the expectations of the people both at home and abroad."

Then the paper also voiced its hopes for the future. "First, the most fundamental quality of a responsible Cabinet is that it will never shirk responsibility, whether its service is satisfactory or not. Only in such a spirit will it be possible to reform administration and make some progress. Secondly, selection of Cabinet members should be based on their abilities rather than their party affiliations. Thirdly, at the present time when the Communist-suppression campaign is in a difficult stage, we badly need a strong government, a Government which is competent and efficient. The Executive Yuan must attach great importance to its own policies and must carry them out courageously. The Legislative Yuan should hold the Executive Yuan responsible for its policies."

* * *

Draper Plan

DESCRIBING the "Draper Plan" as indicating a new phase in United States policy in Japan, the *Tung Nan Jih Pao* raised serious objections to the American policy of building up Japan as the workshop of the Far East.

"The Draper Plan has been made public.

"This (the Draper Plan) is an inevitable result of United States world policy which has developed into the present phase. That the United States is now making feverish preparations for war is common knowledge. Japan occupies an important place in the war preparations of the United States. From this point of view we cannot put the blame entirely on the shoulders of the United States. Only when the whole world situation has improved can the United States be expected to modify her present policy toward Japan.

"However, we certainly should not forget our own national interests just because of this. Nor can we bear to see our national interests jeopardized. The implementation of this policy would eventually result in the revival of aggressive forces in Japan at the expense of China. The Draper Plan is still the more dangerous in that it seeks to rearm the Japs.

"We don't know the reason why Korea should be included in the Japanese economic system as proposed by the Draper Plan. The unification of Japan and Korea was a first step toward the unification of Japan, Korea and China. This was the beginning of the Jap's Co-prosperity Sphere of the Far East.' The United States has reiterated her determination not to aid Japan at the expense of China and other nations. It has been stressed on several occasions that Japan will remain a disarmed nation, which will be unable to start another war of aggression. Unfortunately, the Draper Plan gives the lie to these assertions.

"We strongly oppose the Draper Plan and United States policy of building up Japan. If the United States does not want to make a historic mistake and alienate herself from the Asiatic nations, she must turn back, respect the views and interests of these nations and work out a reasonable policy vis-a-vis Japan in consultation with these nations. This is the only wise course of action which the United States should follow under present circumstances."

What US Papers Say

THE US press continued to express hope last week that recent political developments in China, including the appointment of Wong Wen-hao as Premier, would lead to needed reforms. The Dutch-Indonesian situation, the South Korean elections, and the KMT's attack on Chinese Universities were also discussed.

* * *

Hope for Reforms

THE *Pittsburgh Post-Gazette*, stating that Generalissimo Chiang Kai-shek seemed to be realizing that the successes of the Chinese Communists were not the result of military prowess alone, continued: "In his inaugural address the General recognized growing popular unrest with the governing KMT Party by promising to carry through sweeping social and economic reforms . . .

"The first constitutional Assembly last elected General Li Tsung-jen, an outspoken critic of the Government (as Vice President) . . . Beyond doubt, General Li's victory was a hard slap at the conservative wing of the KMT . . . Now the Generalissimo seems to be reading these signs. In strong language, he emphasizes that uprooting corrupt officials and equalizing land ownership will be the first concerns of his new Government. Certainly Americans can hope that Chiang means exactly what he says. For it is becoming clearer each month that unless the war against the Communists represents the effort of a truly united and progressive China, all the dollars we can spare will be of no avail."

The *Christian Science Monitor*, commenting on the appointment of Dr. Wong Wen-hao as Premier of China, declared: "Every new happening in China emphasizes the progressive disintegration of the KMT Party, which has controlled the Central Government for so long . . . "The new Premier, Wong Wen-hao, is a moderate with an excellent record of honest administration. He enters office knowing that his predecessor, General Chang Chun, who was also a moderate and an honest man, found himself blocked at every turn by politicians of the party machine who, backed by the armies, wielded the real power . . . As a distinguished geologist, he is doubtless prepared to think in terms of vast, slow changes evolving patiently beneath the surface friction of contending elements. That is the only way— especially for impatient Americans—to think of China . . . The inertia of Chinese traditionalism is perhaps the chief bulwark against Communism in that huge country in the long run. It is matched only by dire economic need which will furnish a mass support for any government which devotes itself honestly to the welfare of the masses."

The *Kalamazoo* (Michigan) *Gazette*, on the subject of American aid, asserted: "There can be little doubt that this aid program will be very helpful indeed if China is able to provide the large amount of self-help which the situation demands. The importance of this self-help seems to be clearly recognized by President Chiang, who declares frankly that his government must eliminate official corruption and take effective steps to stabilize the currency, balance the budget, regulate credit and banking, improve transportation and effect land reforms. All these items certainly add up to a tremendous job, and there is no use in expecting China to perform that whole job in a hurry . . ."

* * *

China's Universities

A *New York Herald Tribune* editorial, commenting on Chinese universities, said: "As the military situation of the Chinese Government has deteriorated, increasing pressure has been brought on its critics. In several regions of China, KMT officials have been acting as if suppression of criticism was all that was needed to strengthen the Government enough so that it could overcome the Communists. Especial attention has been given to intimidating liberals in universities and not even the famous institutions in Peiping have been immune. Mobs have been organized, with obvious connivance by local officials, to invade universities, to destroy their property, to beat students and even to kidnap persons suspected of seeing imperfections in the KMT Party.

"This is of significance to Americans, as principal support for democratic ideals in China is found in the universities. No doubt, there are a few Communist agents on campuses, but most professors and students in China, as in the US, are ardent advocates of freedom, of honest government and of democracy. If attacks on Chinese universities by KMT thugs continue, there undoubtedly will be an increase in the number of Americans opposing any assistance whatever for Chiang Kai-shek and his Government. Few Americans could have any enthusiasm for a regime that used precisely the same police state tactics as the Communists."

* * *

Korean Elections

THE *New York Times* declared that the turnout of South Korean voters for their first popular election—estimated to be over 90 percent of the eligible population—was one that would have done great credit to the US. The editorial continued: "The vote in South Korea indicated two important things. First, it is a convincing answer to those who say that an Asiatic would not know what to do with democracy if he had it, that a citizen of Asia does not care who rules him as long as he is allowed to till his little plot of ground in peace and is not taxed too heavily. That is an argument always presented by the old colonials to justify their resistance to nationalist movements in their possessions . . . There is better reason to believe that the Asiatic craves the right to choose who shall rule him fully as passionately as do Frenchmen, Dutchmen, Britons or Americans whose governments are principal colonial powers of Asia and of the Pacific.

"Second, the large registration and vote give a fairly good index to Communist strength in South Korea. Had the Communists chosen to enter democratic lists with other parties of South Korea, they and their sympathizers would have had the support of only about five percent of the adult population. Yet the Communists of North Korea would have the world believe that the Communists of South Korea are in the majority and are kept from control only by the presence of US occupation troops."

The *Chicago Tribune* commented: "The new government certainly does not face an easy future. The country is divided with most of its industry in Russian hands. Its people lived, until 1910, under the most backward despotism and, during the Japanese occupation, were denied positions of responsibility and experience in either government or industry. It is obvious that their step toward liberty under law was made possible only by American protection and as a result of American fulfillment of pledges. This nation may take pride that those pledges were kept."

* * *

Indonesia

A *New York Herald Tribune* editorial, dealing with the situation in Indonesia said: "The United Nations had a success in Java and Sumatra, where it persuaded the Dutch and Indonesians to stop fighting, but that success now is in jeopardy. If there is a failure in present political discussions between Dutch officials and leaders of the Republic of Indonesia, there is likely to be a renewal of the war. In that event, the Dutch undoubtedly will defeat the ragged and hungry Indonesians. The final outcome, however, probably would not be a real victory for the Dutch or for their friends in the part of the world that believes in democracy . . .

"There is dire need for generosity and good judgment on the part of the Dutch in Indonesia. It must be recalled that preliminary agreements favorable to the Dutch there had support in other countries largely because of promises by the Netherlands to give the Indonesians home rule within a Dutch commonwealth. While Dutch contentions that the Indonesians were not ready to govern themselves were heeded, it was pointed out that this inability was a result of hundreds of years of Dutch rule and should be corrected."

NEW BOOKS OF INTEREST

US' World Role

DOLLARS, GOODS, AND PEACE. *By Thomas P. Brockway. Headline Series, No. 68, March-April, 1948. N.Y. Foreign Policy Association. 63 pages, paper, U.S.$.35.*

THE assumption underlying this short study is that the world cannot risk a war in the atomic age, and that the U.S. as the world's dominant economic power has a major role to play in establishing the economic conditions of peace. De Tocqueville, writing more than a century ago observed that the United States and Russia each seemed "marked out by the will of Heaven to sway the destinies of half the globe." In the postwar contest the Soviet Union has extended its influence beyond its area of direct control through a new type of imperialism which is ideological, economic and strategic. The United States lacks a comparable ideological instrument, but has the advantage of superior economic resources.

In discussing America's world role, Dr. Brockway, a member of the faculty of Political Economy and History at Rennington College, says the international issue before the U.S. is largely a choice between "dollar diplomacy" and internationalism. In contrast to the events following the earlier world, war economic factors now play the chief part in international affairs. The author discusses the reasons that the agencies set up have not yet been effective. He proposes a program for the U.S. on the premise that she must bear the major burden of world reconstruction.

The last pages of the pamphlet deal with the United Nations' chief organ for the rebuilding of the world's postwar economy, the Economic and Social (ECOSOC) which has set up, among other organizations, the Economic Commission for Asia and the Far East (ECAFE) operating from Shanghai.

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Soviet Fusion

THE MONGOLIAN PEOPLE'S REPUBLIC ON THE ROAD TO CULTURAL DEVELOPMENT. *Compiled by G. A. Leonof, edited by V. N. Rogoff. Shanghai, The Epoch Publishing Co., 1948. Paper, 110 pages. Reviewed by F. M. Roberts.*

THERE is both a Russian and a Chinese saying that "One picture is worth ten thousand words." In this booklet of more than 100 pictures one sees two things clearly—the development of the Soviet nationalities policy and the pride of a people building a new life. While recognizing the propaganda purpose of this publication, one is nevertheless made aware of a fusion between East and West which is being built upon indigenous economic and cultural levels. Herein the Soviet state has shown a "colonizing" genius superior to any in modern history.

The booklet has very little text: only a short introduction to each section and a sentence or two to accompany each picture. The text is given both in English and Chinese. The pictures speak a universal language.

To see European-style buildings, schools, factories and government buildings rising out of the broad steppeland is amazing; but it is even more instructive to look at the faces of individual Mongols. There is no lack of sturdy independence in the features of these people. There are Marshall Choybalsan, prime minister; Bazag-Rakcha, soloist of the State Musical Drama Theater, the director of the state liberty, artists and others by name. But the unnamed students in the laboratories and classrooms, the workers in the factories, the young woman cattle breeder, the two delegates to an international women's conference in Moscow, the children in the creches—these pictures speak more loudly. This emphasis upon individuals to show the progress of the state seemed to be one of the anomalies of the Soviet system, which by "bourgeois" standards seems at the same time to ignore the individual.

The pictures fall into several groups: the celebration of the 25th anniversary of the Republic in 1946; cultural, educational and medical activities; developments in agriculture and cattle breeding; the new industries and the army.

Outer Mongolia, which Russia recognized as an integral part of the Republic of China in 1924, was declared an independent republic in 1945. The nation had already joined the Russian orbit. The Russian influence is seen not only in the policy and name of the state, the Russian placards in the barracks and the Russian teachers in the schools; but also in the flavor of the picture themselves, their poses and emphases.

New Dictionary

A DICTIONARY OF NEW ENGLISH WORDS, PHRASES, AND USAGES, *by C. K. Hertz, S. Y. Kwei, T. H. Wu, and H. H. Wu. Published by Ching Wen Book Company, Shanghai, 1947. pp. 289. Reviewed by A. L. Chen.*

THE work is the first of its kind published in China. Armed with it, any Chinese student of English will find little difficulty in reading whatever he takes up. It renders, therefore, invaluable services to those of us who are learning this foreign language.

As the compilers say in the preface, "the material is collected chiefly from our extensive and varied reading . . . It may sound strange, but we have actually read a large amount of reading matter in the widest sense of the term. Besides books, magazines, and newspapers, we have read many advertisements, pamphlets, synopses of movie stories, and even envelopes."

The dictionary would, however, be more useful, if the explanation was given in English as well as in Chinese.

Comprehensive as it is, it leaves much to be recorded. As remarked in a certain journal of English, such expressions as "take the ball," "steal a show" and "run of the mill," which are found in slang dictionaries published in the US. "Last year" or the "year before last," are not found in this dictionary. Many other terms are also on the missing list.

Let us hope that the compilers will render the book more serviceable by giving bilingual explanations and by including more words.

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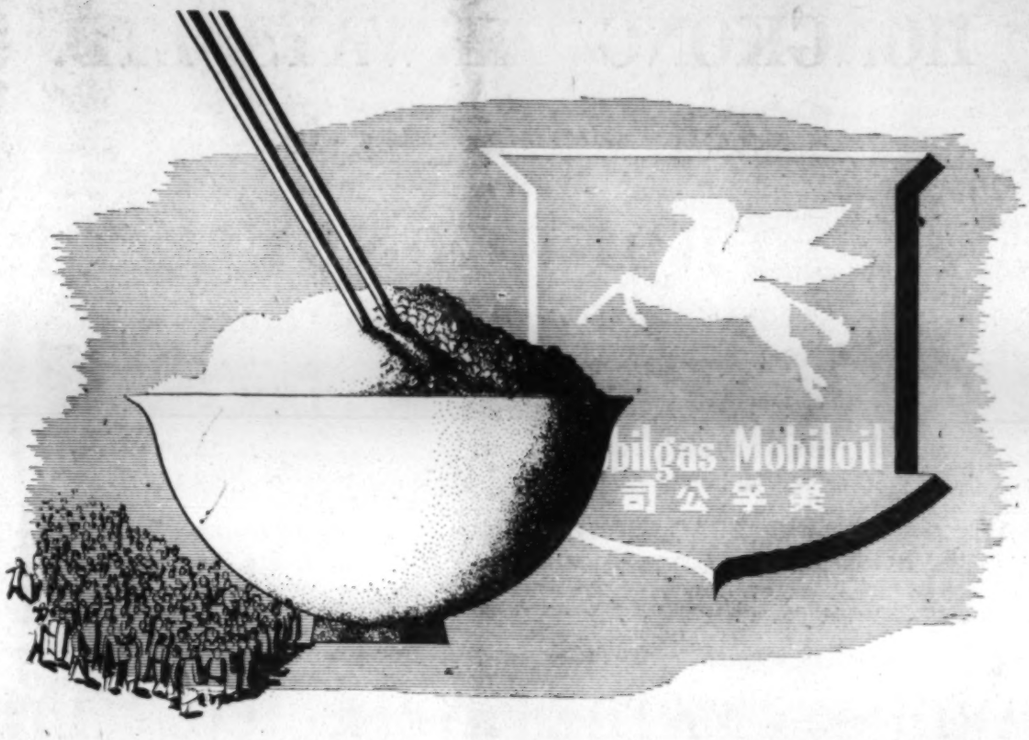

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